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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JANUARY 1985

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of January, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Wardell D. Jackson, United Public Employees Local 390/400; David Bradwell, Gordon Jackson, On-Call, Inc.; Darius Aidala, Jerry & Johnnies/Jessie Hotel Project; Lavolia Baker, Luchan G. Baker, L. Baker Insurance; Leo E. Arnold, Jr., Elizabeth Jamerson; Ocie Rogers, Mark Wilder, Mr. McWade interested citizens.

Representing the press were James Kelly, San Francisco Progress; Reginald Smith, San Francisco Chronicle; Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On January 7, 1985 the Board of Supervisors confirmed Melvin Lee and Walter Newman as members of the Redevelopment Agency Commission for four year terms. Their swearing in is expected very soon.
- (b) The Board of Supervisors by Special Order at 3 p.m. January 7, 1985 held a public hearing and took favorable action on the street vacations necessary to proceed with Yerba Buena Center.
- (c) On a sad note, there was a notice in today's paper advising of the passing of Hilda Cloud. She has been a member of the Technical Advisory Committee and has been active in a number of

REPORT OF THE EXECUTIVE DIRECTOR (continued)

community pursuits, some of which have touched the Agency's programs, even prior to YBC matters. Staff is very saddened at her passing and suggests that this meeting be adjourned in her memory.

UNFINISHED BUSINESS

- (a) Resolution 351-84 requests authorization of a Policy specifying when Owner Participation Agreements are required for all Redevelopment Project Areas with the exception of Rincon Point-South Beach.

Mr. Hamilton reported on item (a) as follows. This matter was continued from the meeting of December 18, 1984, while General Counsel reviewed the policy, since he had some concerns as to whether it would in fact be effective and appropriate legally. Those concerns have still not been resolved and Counsel is requesting the matter be held indefinitely with the Commission being kept advised by memo on progress.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (a) would be tabled. There being no objection it was so ordered.

- (b) Resolution No. 350-84 requests authorization to advertise a contract for Demolition and Site Clearance of the buildings on Block 3707 located at 81-85 Third Street, Lot 28, Jerry & Johnny's; 71-77 Third/183 Jessie Streets, Lot 29, Breen's; and 167-181 Jessie Street, Lot 31, the Jessie Hotel, in the Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. This matter had been held over from the December 18, 1984 meeting to allow the Commissioners time to make a physical tour of the subject sites. Requests had been received from TODCO and the Landmarks Preservation Advisory Board that no action be taken until a meeting had been held between Agency staff and the Landmarks Board. It is suggested the matter be held over for two weeks, until January 22nd, to allow time for discussions with interested parties so that when action is taken it is with a common data basis.

Mr. Newman suggested that when the matter is brought back to the Commission that the proponents of preservation obtain from Mr. Peter Culley, or someone of his competence, much more definitive numbers and estimates which substantiate the costs of the seismic work included in the costs projections given the Agency, as on a matter of this importance there should be more facts.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (b) would be continued for two weeks. There being no objection it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel C-1(b); India Basin Industrial Park.

Resolution No. 1-85 requests authorization of a Land Disposition Agreement with Michael and Ellen Hornstein for Parcel C-1(b) located on the northeasterly corner of Evans Avenue and Newhall Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. In August 1984 exclusive negotiations were approved with the Hornsteins who propose to develop an industrial building to be leased to Snyder-Newell Company. Snyder-Newell is a direct mail firm that employs approximately 118 persons. The lease has been completed, however, an additional week is required to permit finalization of the affirmative action agreement between the Agency and Snyder-Newell, which has been delayed due to their being on vacation. The developer is confident this final element can be completed by January 15, 1985.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, that item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 2-85 requests authorization to amend Salary Resolution No. 159-84, adopted June 5, 1984, by adding a new classification of Reproduction Specialist and adding and deleting classifications to revise the structure of the Community Services Representative classifications.

Mr. Hamilton reported on item (b) as follows. When the 1984-85 annual salary resolution was adopted, staff advise the Commission that agreement had been reached with United Public Employees Local 390/400 that a new classification of Reproduction Specialist be created to recognize the unique responsibilities of the position currently classified as Senior Clerk and assigned to the Print Shop. Concern was expressed regarding the appropriate salary level and a survey was made that determined the salary level of the Senior Clerk classification is comparable to similar positions. It is proposed then that the salary level of the new Reproduction Specialist classification be set at the Senior Clerk level. Also proposed is the restructuring of the Community Services Representative classifications. Currently they are Community Services Representative I, II and III and they would be revised to Community Services Representative and Senior Community Services Representative with job descriptions that more accurately reflect the work performed by the present relocation staff. In the past, Social Worker classifications in the City were used as comparable, however, the City jobs have no responsibility for relocation work and it is apparent they are not fully comparable classifications. The proposal is to structure the salaries based upon internal relationships within

NEW BUSINESS (continued)

the Community Services Division. Two incumbent Community Services Representative I's would be reclassified to the new Community Services Representative level and one Community Services Representative III would be reclassified to Senior Community Services Representative. Agreement has been reached with Local 390/400 on all points except salary level for the incumbent Community Services Representative III. It is the Union's position that two salary levels be established for the Senior Community Services Representative classification. One for the incumbent and one for any new appointees. The Union has further explained their position on this matter in a separate communication sent to the Commission. Staff believes the proposed salary relationships are logical and fair and that the Union position would set an undesirable precedent for any future reclassifications that may be required.

Mr. Wardell Jackson, Bargaining Representative for United Public Employees Local 390/400, indicated that the Union was not opposed to the new proposal presented by Management except that the salary level of Ms. Daisy Westry, an Agency employee for seventeen years, would be adversely affected. Mr. Jackson and Ms. Westry expressed concern that Ms. Westry's retirement and future PERS contributions would be affected if the proposal went into effect.

Mr. Mills replied that this matter had been seriously considered, but since the nature of the work had changed and previous supervisory responsibilities no longer exist, it was proposed to reclassify Ms. Westry's position to step 47.7 rather than the present 49.0. Under the proposal Ms. Westry's salary would not be affected at this time, however, she would see a slightly less increase when the cost of living adjustment is made in July 1985. While it is appreciated that Ms. Westry is a long time, loyal employee, salaries have to be established based upon responsibilities and duties performed and for this reason an attempt is being made to standardize by reorganizing Community Services Representative classifications.

President King inquired if this was a reduction in Ms. Westry's salary and Mr. Hamilton indicated no, but would affect the cost of living increase in July 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-85 BE ADOPTED.

- (c) Resolution No. 3-85 requests authorization of an Internal Equal Employment Opportunity Policy and Affirmative Action Plan.

Mr. Hamilton reported on item (c) as follows. This Policy and Plan has been developed by staff, along the guidelines that were established by the City and County of San Francisco for its Departments. The Agency has had an equal employment opportunity policy for many years, however, it has not had a formal

NEW BUSINESS (continued)

affirmative action plan. Past staffing patterns have been closely related to the composition of the Western Addition and Hunters Point communities where its major project areas have been located, resulting in a relatively high level of minority employment in the Agency's workforce. The guidelines established by the City for affirmative action plans requires that a comparison of the Agency's workforce be made to the entire civilian labor force in San Francisco by each occupational category. Significant under-representation is deemed to occur when the Agency's employment of a protected class in any one of the occupational categories is less than 80 percent of the percentage held by that group in the San Francisco civilian labor force. In this respect there is an under-representation within the Agency's workforce of women and minority groups in some occupational categories. Under the proposed plan it is the Agency's goal to bring these protected classes to parity with the San Francisco labor force. When vacancies occur, specific recruitment efforts will be directed towards those under-represented groups and preference will be given to candidates in under-represented protected classes, all other factors being equal. The Policy and Plan have been reviewed by representatives of the Human Rights Commission, the Equal Employment Opportunity Unit of the Civil Service Commission and Agency staff, all of whom have had an opportunity to comment, resulting in a number of suggestions being incorporated in the subject Policy and Plan. The Agency's progress will be reviewed annually by representatives from the Human Rights Commission and the Equal Employment Opportunity Unit of the Civil Service Commission. A report will be provided to the Commission by staff at the end of each calendar year, summarizing progress and revising goals as appropriate for the coming year.

Ms. Mary Rogers, WAPAC, inquired as to Agency recruitment policies and Mr. Hamilton indicated that the Agency would recruit from those groups in the protected classes that are under-represented.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-85 BE ADOPTED.

- (d) Resolution No. 4-85 requests authorization of a First Amendatory Agreement to the Land Disposition Agreement with Ellis Street Associates Ltd., for the building located at 1917 Ellis Street, Parcel 1127-L, Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In September 1984 an LDA was authorized with the developer to rehabilitate this three-story Victorian containing two residential units and a garage. The developer was unable to provide final rehabilitation construction documents in a timely manner and on December 11, 1984 was placed in default. At a meeting with staff on December 14th the developer indicated that, due to the holiday season and the architect's workload, final construction documents could not

NEW BUSINESS (continued)

be submitted within the 30 days cure period and he has requested time to allow the architect to complete final plans and specifications, obtain a contractor's bid and obtain a firm commitment for financing. The revised schedule of performance would extend submission of final construction documents from December 5, 1984 to February 5, 1985; submission of construction costs from January 23 to February 26, 1985 and submission of evidence of financing from March 20th to April 9, 1985. The date of conveyance for the site of May 15, 1985, remains unchanged.

Mr. Lee inquired who the architect is and Mr. Mark Wilder indicated Gerald Lange and Associates.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-85 BE ADOPTED.

- (e) Resolution No. 5-85 requests ratification of an extension and authorization for the Executive Director to grant further extensions, as necessary, to the termination date of the Tenth Amendatory Agreement that may be deemed necessary or appropriate to the LDA with Luchan and Lavolia Baker, Assignees of Elizabeth Jamerson for the building at 685-691 McAllister Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. The most recent amendment to the LDA, approved on December 4, 1984, related to the Assignees only and extended the termination date of the LDA for 30 days to allow the transfer of interest from Mrs. Jamerson to the Bakers. Unfortunately, two matters remaining to be resolved prior to consummation of the transfer have required more time than anticipated. One is the release of the bonds. As Mrs. Jamerson's assets were pledged to secure these bonds, her agreement to sell property to the Bakers is conditioned upon their release. Also, the Agency is named as an obligee on the bonds and its concurrence with the release is required. Staff's concern has been to ensure that all valid lienholders and persons that provided materials and services to Jamerson Contractors who would have recourse against the bonding company for payment will have equivalent recourse once the bonds have been released. The Bakers have proposed to provide a \$50,000 Letter of Credit in favor of the Agency to insure satisfaction of any such claims and the Legal Division has determined that this arrangement plus the retention of \$43,000 is ample and the Bakers are now in the process of obtaining a Letter of Credit. The second problem is with the contractor who signed a contract with the Bakers in October. He was to deliver his bonds and insurance certificates to the Agency or escrow and has not done so. The Bakers therefore have selected another contractor who is bondable and his bid will be forthcoming on January 10. This contractor is out of the country at this time, but the Bakers have indicated his bonds and insurance are being arranged in his absence. The Executive Director extended the termination date until January 9 in order to prevent possible termination of the LDA before the

NEW BUSINESS (continued)

Commission meeting on January 8 and ratification of this action is requested. Also, it is recommended that the Executive Director be given authority to grant such additional extensions as deemed necessary and appropriate to facilitate the transfer of interest to the Bakers. The parties involved are working diligently to bring this transaction to a close and time reasonably necessary to accomplish these matters should be allowed. Any such extensions would be granted within the framework and context of the policy approvals the Commission has given. Any violation of the structure of the transaction would be immediately brought back to the Commission for approval.

Mr. Lee inquired if Mrs. Baker has the number of sub-contractors that had submitted liens on the property and the total amount involved and Mrs. Baker indicated that the total claims amounted to \$78,000 and she would have more than enough to handle those claims once title had been conveyed. She personally had called thirty sub-contractors requesting they present their invoices to the San Francisco Redevelopment Agency and they had done so. \$43,000 had been set aside as part of the Jamerson Contractor's debt and that amount plus the \$50,000 Letter of Credit is a guarantee the claims will be paid. Mr. Lee inquired if the new contractor was bondable and Mrs. Baker indicated affirmatively.

Mr. Hamilton suggested that the Executive Director's authority for extensions not exceed ninety calendar days from January 9, 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-85 BE ADOPTED CONDITIONED UPON THE EXECUTIVE DIRECTOR'S AUTHORITY TO EXTEND THE TERMINATION DATE OF THE TENTH AMENDATORY AGREEMENT NOT EXCEED NINETY CALENDAR DAYS FROM JANUARY 9, 1985.

- (f) Resolution No. 6-85 commends and expresses appreciation to Tamayo Imada for her services upon the occasion of her retirement from the Redevelopment Agency.

At this time Ms. Oswald, Agency Secretary, read the resolution into the record and President King on behalf of the Commission thanked Ms. Imada for her many years of service and conveyed best wishes for the future.

Mr. Hamilton noted that plans for a retirement luncheon are underway for March 1st at the Miyako Hotel.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-85 BE ADOPTED.

At this time President King indicated that a matter not appearing on the agenda would be considered before recessing to the fourth floor for item (g).

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 7-85 requests authorization of a Personal Services Contract with Arthur Silvers, Architect, in an amount not to exceed \$2,000, in connection with the development of a program for the Fillmore Center in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In 1981 Mr. Silvers was retained by the Agency to prepare a master plan for the Fillmore Center area bounded by Geary Boulevard, Turk, Webster and Steiner Streets, which subsequently was accepted and formed the basis for the Agency's development program for the area. In November 1984 a development proposal for several parcels in Fillmore Center was presented to the Commission by Donald Tishman of Housing Associates, Inc. Although this proposal indicated a compliance with the Redevelopment Plan, it still represented a dramatic departure in terms of scale and order of magnitude from the master plan prepared by Mr. Silvers. With the assistance of Rai Okamoto and Hideo Sasaki, staff has been re-evaluating the Agency's current master plan, as well as looking specifically at the proposal from Mr. Tishman. The Commissioners have been advised under separate cover of design concerns relative to that proposal. What is most important now is a re-evaluation of the Agency's current master plan and it is believed that it would be valuable to solicit the thoughts and comments of Mr. Silvers who was the essential land planner and urban advisor in its construction. Upon completion of this re-evaluation, staff will bring to the Commission for consideration, recommendations with regard to a modified master plan for the development program in the Fillmore Center area. Because of the nature of Mr. Silvers' services which would be performed within the Agency's office, staff believes the Agency's insurance requirements which normally apply should be waived.

This is a matter of some urgency, made even more so by the fact that on January 22, 1985, legislation is expected to be introduced which will have the same effect on multi-family rental housing or the use of tax-exempt bond instruments as the Ullman legislation. It raises the question of whether or not action should be considered by the Commission with respect to an inducement resolution to preserve the capacity to finance multi-family rental housing. Staff will provide the Commission with written analyses from the Agency's financial advisors, together with recommendations as to what might be done to preserve the financing capacity. It is the intention of Mr. Bill Witte, the Mayor's Director of Housing and Economic Development, to ask the Board of Supervisors for inducement resolutions to preserve that capacity for the City on certain of its sites. An important part of being in a position to recommend any kind of inducement resolution to the Commission is the finalization of a recommended program for the development of Fillmore Center, hence the immediate need for Mr. Silvers' services.

Ms. Mary Rogers expressed support of Mr. Silvers being brought in to do some studies, however, she was opposed to the Tishman

MATTERS NOT APPEARING ON AGENDA (continued)

proposal. President King explained that although Mr. Tishman's name had been mentioned, the Tishman proposal was not in the resolution which concerned only Mr. Silvers' services to restudy the plan.

Mr. Newman indicated that he was in favor of the resolution, however, the public should be made aware that this development is not being delivered to Mr. Tishman and efforts should be made to solicit other bids and proposals.

Mr. Hamilton indicated that without respect to what Mr. Tishman has proposed and which does not bear upon development opportunity for anyone, it is a relook at an appropriate development program for the Fillmore Center area. In view of the pending legislation the Commission will have to determine whether or not to induce anybody in an attempt to preserve the multi-family housing capacity through the tax-exempt instruments. Unless the Agency receives information to the contrary, inviting proposals and going through the entire analysis process will miss that deadline.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-85 BE ADOPTED.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (g). The meeting recessed at 5:10 p.m.

The meeting reconvened at 5:20 p.m. with the same roll call.

NEW BUSINESS (continued)

- (g) Workshop to inform the Commission of progress in acquiring the Hunters Point II School Site and to review an unsolicited proposal received for the development of the site.

Mr. Hamilton reported on item (g) as follows. In December 1984 an option contract was approved with the San Francisco Unified School District to purchase the subject site. The assignable option runs for three years and the Agency has the right to extend the contract for an additional two years. The price is \$210,000, to be escalated by 75% of the Consumers Price Index. In November 1984 ON CALL, INC. submitted an unsolicited proposal for the development of a commercial shopping complex. Principals of the company are Mr. Gordon Jackson, architect, Mr. David Bradwell, marketing consultant, and Mr. Bijan Madjlessi, a property developer. The total cost of the project is estimated at 2.8 million dollars. The proposal provides for a use which is highly desirable as the Hunters Point residents presently have to travel extensive distances for commercial services of any kind. The Agency's Hunters Point Hill study indicated that there is a market to support commercial development at this location. Although the amount of retail space proposed may be more than the market will support at this time, the developer, who is

NEW BUSINESS (continued)

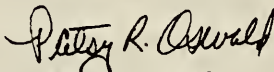
requesting a 120 day period of exclusive negotiations, intends to carry out market research and seek conditional lease commitments from one or more prime tenants before proceeding with the project. The developer would be willing to accept the terms of the option contract, as well as reimburse the Agency for its direct expenditures for site analysis and down payment. Staff is reviewing the desirability of a public offering of this site and following this workshop will return with a recommendation for consideration.

Mr. Gordon Jackson, Architect, and Mr. David Bradwell, ON CALL, INC., made the presentation of the development to the Commission and public.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned in memory of Hilda Cloud. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

January 22, 1985

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JANUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of January, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnette

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were William Kirkpatrick, George Gearey, Robert E. Hunter, Caledonian Club; Don Tishman, Housing Associates, Inc.; Craig Roberts, W. H. Chin, H. S. Avery, Alan Saffron, Hal Womack, Ernest Brown, Bruce A. Smith, San Francisco Go Club; Matthew Huey, Innerland Development and Investment Co.; Harold Bexton, James San Jule, Fillmore Associates; Naomi Gray, Black Agenda Council, Ramsey Whiteside, Baptists of San Francisco; John Yearman, Fillmore Merchant; Bradley Inman, Bay Area Council; Charles Portlock, Portlock Builders; Bert Kortz, San Francisco Landmark Auditorium; Joy R. Hecht, representing Senator Milton Marks; Nolan Frank, 1860 Turk Street; Terry Rawlins, Ella Hill Hutch Community Center; Rudy Dock, D.J. Concrete Pumping; Fred Jordan, San Francisco Black Chamber of Commerce, Jorgen Nielsen, Jones Hall Hill & White; Craig C. Work, Randall Evans, Ocie Mae Rogers, Caesar A. Churchwell, Michael Hornstein, Mary Helen Rogers, Lavolia Baker and Clifton Jeffers, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of December 4, 1984, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) On January 14, 1985 the Board of Supervisors passed on the Ordinance ordering the Street vacations in Yerba Buena Center with a technical amendment, which means that it will have to come back for a second reading next week when it is expected the matter will be successfully concluded.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel C-1(b); India Basin Industrial Park.

President King opened the public hearing to hear all persons interested in the matter.

Resolution No. 1-85 requests authorization of a Land Disposition Agreement with Michael and Ellen Hornstein for the parcel located on the northeasterly corner of Evans Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. The public hearing and action on this item were continued from the meeting of January 8th to permit finalization of the affirmative action agreement between Snyder-Newell and the Agency. This has now been completed. In August 1984 exclusive negotiations were approved with the Hornsteins, who propose to develop an industrial building, to be leased to Snyder-Newell Company, a direct mail-order firm that employs approximately 118 persons. Staff has reviewed and found satisfactory the feasibility and design quality of the proposed development. The Bayview Hunters Point Joint Housing Committee has reviewed the proposal and finds the type of jobs to be provided, and the willingness of the tenant to employ community residents, to be highly acceptable. The Schedule of Performance calls for submission of evidence of financing by December 13, 1985 and conveyance of the site by December 24, 1985.

Mr. Lee inquired if the lease had been signed and Mr. Hornstein replied affirmatively

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 8-85 requests authorization to extend the termination date of the Land Disposition Agreement with BARCO Developers to April 17, 1985, for Parcel AA-2, located on the north side of Keith Street between Fairfax and Hudson Avenues in Hunters Point.

Mr. Hamilton reported on item (a) as follows. This development team is composed of Louie Sherriffe and Richard Smith as general

NEW BUSINESS (continued)

partners for BARCO. An LDA was approved in April 1983 with the developer who proposes to develop a mix of 67 townhouses and flat-over-flat dwellings in three phases. In June 1984 a First Amendatory Agreement revised the sales price, because of a reduction of units from 70 to 67, and extended the performance schedule. A Second Amendatory Agreement was approved in September 1984 extending the construction commencement schedule, however, the conveyance date was not changed at that time since the developer insisted the October 10th date could be met. Subsequently, the Bank of America, the developer's construction lender, requested additional time to process the loan. As a result, the developer could not meet the October 10th conveyance date and on October 30th an extension to December 5, 1984 was approved. Because the developer then decided not to pursue Bank of America financing, the conveyance of the site did not occur by the extended LDA date of December 5th and the developer was issued a Notice of Termination on December 6, 1984, leaving 21 days to meet the conveyance date, resulting in an extension to January 16, 1985 being approved. During this period the developer was to provide information, including construction financing, for evaluation by staff, thereby ensuring that all 67 units would be constructed. The developer met with staff on January 9th and, based upon representations by the developer that he will obtain the required construction financing, it is believed that an additional extension is warranted. During the extended period the developer will be required to submit, no later than March 13, 1985, evidence of an executed firm commitment from a financial institution, specifically assuring that all three phases will be constructed. Also required by March 13th is submission of a satisfactory affirmative action plan. Since no significant change at this time in the real estate market has been noted, it is recommended that the current land price be retained until April 17, 1985. When evidence of financing is determined to be satisfactory, staff will return with a Third Amendatory Agreement for consideration that will set the construction and completion schedules.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-85 BE ADOPTED.

- (b) Resolution No. 9-85 requests authorization to enter into exclusive negotiations, until May 15, 1985, with Hunters Point Plaza Associates for the development of Hunters Point School Site, Block 4700, Lot 10, located on the southeasterly corner of Ingalls Street and Kiska Road, adjacent to the Hunters Point Redevelopment Project Area.

Mr. Hamilton reported on item (b) as follows. In November 1984 a proposal to develop a commercial shopping complex on the site was submitted by this joint venture development team which is comprised of ON CALL, INC., David Bradwell & Associates and Westberry Co., Inc. This unsolicited proposal was reviewed with the developer at a public workshop held at the Agency Commission

NEW BUSINESS (continued)

Meeting on January 8th. The development would consist of approximately 38,000 gross square feet with 16,000 square feet designed for a supermarket tenant. Surface parking for 84 cars and off-street loading would be provided. Space is provided for small shops, with a second level designed for a restaurant and offices. The proposal calls for a use which is highly desirable as the Hunters Point residents presently have to travel extensive distances for commercial services of any kind. The Agency's Hunters Point Hill study indicated that there is a market to support commercial development on this location. Although the amount of retail space proposed may be more than the market will support at this time, the developer, who is requesting a 120 day period of exclusive negotiations, intends to carry out market research and seek conditional lease commitments before proceeding with the project. In view of current favorable interest rates, it is the developer's opinion that, if the project does not move forward expeditiously, then its feasibility may be substantially reduced. He would be willing to accept the terms of the Agency's purchase option contract with the Unified School District as well as reimburse the Agency for its direct expenditures for site analysis and down payment. The total cost of the project is estimated at 2.8 million dollars and the developer intends to request Agency assistance in financing the project with tax exempt industrial bonds which will be the subject of an inducement recommendation to the Commission later in the meeting. It is believed the use is essential and desirable to the community.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-85 BE ADOPTED.

- (c) Resolution No. 10-85 requests authorization of a Second Amendment to the Personal Services Contract with Ramseyer, Zerbst & Company, Inc. for Financial Analysis Services in connection with Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. This contract was initially approved in April 1983 for an amount not to exceed \$25,000. In December 1983 a First Amendment extended the time of performance for one year and increased the amount payable by \$30,000. The proposed Second Amendment extends the time of performance until December 20, 1985 and increases the maximum amount of compensation by \$25,000 to a total amount not to exceed \$80,000. Services under this amendment will continue to be provided on an "as needed" basis and hourly rates in the current contract will remain unchanged. The contractor has assisted in the evaluation of proposals on a number of sites in Rincon Point-South Beach and has also provided major assistance in the formulation and impact evaluation of this project area with respect to the Redevelopment Program Plan change and housing bonus provisions which were adopted in January 1984. Specifically, assistance will be needed in 1985 in the completion of the Rincon Annex Post Office Owner Participation Agreement,

NEW BUSINESS (continued)

the feasibility analysis for Pier 40, and owner participation agreements on development parcels E and L. The contractor has provided highly professional and competent services, proving very responsive to Agency deadlines and needs for rapid evaluation of changes in proposals and negotiations. In addition to being conversant with Agency policies, objectives and financial capacities, he has a satisfactory affirmative action record and policy. Funds are available from the 1984 Community Development Block Grant budget.

Ms. Berk left the meeting at this time, 4:25 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-85 BE ADOPTED.

- (d) Resolution No. 11-85 requests authorization of exclusive negotiations, until April 17, 1985, with the Caledonian Club of San Francisco for the building located at 1881 Bush Street, Parcel 674-F, in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The site has a wood-frame building, built in 1895 as a House of Worship. It was officially designated as a City Landmark by the Board of Supervisors in April 1976. The Caledonian Club is a California non-profit cultural group organized in 1866 and incorporated in 1871 for the purpose of perpetuating the ancient customs, costumes and games of Scotland. The Club sponsors the Scottish Highland Games held annually in Santa Rosa, the net proceeds from which are donated to worthy charities. The developer proposes to purchase and rehabilitate the property to serve as the Club's permanent facility for cultural and social activities, containment of Scottish Memorabilia, a Scottish Library and also to serve as a central location for other kindred organizations to meet. In addition, a 400-500 seat theater is to be provided. Several letters from various organizations throughout the Bay Area have already indicated considerable support of the proposal. The San Francisco Go Club, which provides a setting for the playing and study of the ancient Far East strategy of the game of Go, has occupied a small part of the building for over 47 years. This organization, of approximately 100 members, has also expressed an interest in purchasing the property, however, it has also indicated that it is not in a financial position to proceed with the purchase and development proposal. In recognition of this long-term tenancy, the Agency has suggested to the Caledonian Club that it negotiate the possibility of the Go Club's continued occupancy in the building. Therefore, as part of the exclusive negotiations being recommended, the Caledonian Club will be required to continue discussions with the Go Club in this regard in order to arrive at a mutually acceptable agreement. The Caledonian Club has provided satisfactory evidence of its financial capability to undertake the development of the project. It has indicated that every effort will be made to preserve and rehabilitate this historic landmark, unique to

NEW BUSINESS (continued)

the architectural heritage of the City, and comply with all current building codes and Agency standards. The Schedule of Performance calls for submission of schematic architectural drawings and proposed tenant use agreement format for community and theater groups by March 1, 1985, and evidence of continued discussions with the San Francisco Go Club for the continued use of a portion of the building.

Ms. Berk returned to the meeting at this time, 4:30 p.m.

Mr. Newman inquired as to the need for a 400-500 seat theater, particularly in view of the fact that plans for Yerba Buena Center include a theater of approximately the same size. Mr. George Gearey, Chairman of the Building Committee of the Caledonian Club, indicated there is an existing stage in the building and it is intended to improve it for public use by small groups as it is felt it would be an asset to the Community. Mr. Newman inquired of the Caledonian Club would be depending on income from the theater and Mr. Gearey indicated not really, as the Caledonian Club games at Santa Rosa are the Club's main source of funds.

Messrs. Alan Saffron and Hal Womack, San Francisco Go Club, indicated a strong desire for the Club to remain as a tenant in the building, which they have occupied for 47 years. Mr. Hamilton indicated that as part of the requirements of exclusive negotiations with the Caledonian Club, they will continue negotiations with the Go Club on this matter and the Agency will attempt to see they are done in good faith.

Mr. Quentin Easter, Lorraine Hansberry Theater Company, expressed an interest in the group becoming a resident theater company in the proposed theater as they are presently seeking a permanent location and Mr. Hamilton indicated that he was sure the interest of this Theater Company as a potential user is something the Caledonian Club would be quite willing to explore and the Agency will be happy to facilitate discussions between them.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-85 BE ADOPTED.

- (e) Resolution No. 12-85 requests authorization of exclusive negotiations, until April 17, 1985, with Innerland Development and Investments for the building located at 1734-1738 Laguna Street, Parcel 674-C(2), in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. This development team is a joint venture consisting of Matthew Huey, a construction project manager, who is a Western Addition A-2 Certificate Holder with 52% interest in the proposed project. Heston Chau and Ronald Tom, architects, both with 32% interest and David Lem, a construction estimator, with 16% interest. The site has a three story Edwardian building constructed in 1905

NEW BUSINESS (continued)

containing three apartment units, which the developer proposes to rehabilitate as three residential rental units. In October 1984 an offering of eight Agency-owned properties in the Western Addition A-2 was authorized under Rehabilitation Offering No. 24 providing two categories of preference response, these being Preference I for Certificate of Preference Holders and Preference II for Non-Certificate of Preference Holders. At a public opening of responses on December 13, 1984, four responses from certificate holders and eighteen from non-certificate holders were received. Based on the selection criteria established in the offering, it was determined that the offer by Innerland Development and Investments of \$96,128 is the highest qualified response. Satisfactory evidence of rehabilitation experience and financial capacity to undertake the project has been provided. The required performance deposit has been received and will be held by the Agency until successful completion of rehabilitation. The Performance Schedule calls for submission of schematic architectural drawings and submission of a joint venture agreement among the individuals of Innerland Development and Investments by February 20, 1985.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-85 BE ADOPTED.

- (f) Resolution No. 13-85 requests authorization for Helen L. Sause, Yerba Buena Center Project Director, James H. Wilson, Hunters Point-India Basin Project Director, Thomas G. Conrad, Chief, Planning and Programming and David Stoloff, Senior Development Specialist to travel to Monterey, California, to attend the NAHRO Bi-Chapter Meeting being held January 27-29, 1985.

Mr. Hamilton reported on item (f) as follows. Mrs. Sause will attend in her capacity as National Vice President of Community Revitalization and Development and speak at the Opening Session on "Housing and Community Development Legislative Update". Mr. Wilson will attend in his capacity as Northern California Vice President of Professional Development and will moderate the panel "OP's and DDA's/Evaluation Development Proposals". Mr. Stoloff will be a speaker on this panel. Mr. Conrad will attend in his capacity as the Northern California Chapter Secretary. Other panel sessions which directly influence this Agency's programs will also be attended. Expenses for this travel are expected to amount to \$300 per person for a total cost not to exceed \$1,200.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-85 BE ADOPTED.

- (g) thru (n) Resolution No. 14-85 through and including Resolution No. 42-85 request authorization to express the Agency's intent to issue notes and bonds for financing developments, which contribute to the achievement of development objectives within and outside redevelopment project areas.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (g) through (n) as follows. These resolutions cover nine developments in the Western Addition; four development in Yerba Buena Center; ten developments in the Rincon Point-South Beach; two developments in Hunters Point and three developments outside any redevelopment project area. Staff and bond counsel have advised of the possible effect of federal legislation proposed to be introduced as bills before Congress, which would curb the Agency's ability to issue tax free bonds and notes to secure financing for development projects. These bonds and notes would become subject to federal income tax except as excused by evidence of the Agency's prior intent to issue them expressed in the subject inducement resolutions before January 22, 1985. Potential developers of the various developments have prepared descriptions of their projects, estimated bond proceeds required and noted the location of the projects and identification of development entities, which are all before the Commission today. Staff has prepared the resolutions of intent in the form intended to preserve the Agency's option to issue the bonds. These inducement resolutions are subject to negotiation of financing and project terms and conditions to the full satisfaction of the Agency. They do not give the developers any claim or rights of any kind against the Agency, nor any right or interest whatsoever in or to any property of the Agency.

The Commissioners expressed concerns regarding the subject inducement resolutions and Mr. Jorgen Nielsen of Jones Hall Hill and White, the Agency's Bond Counsel, explained that the inducement resolutions do not commit the Agency irrevocably to undertake the projects mentioned in the resolutions as they could be rescinded at any time. Also the words "assignee" or "successor" that appear in the resolutions are intended to allow flexibility to the extent permitted by law for another developer to utilize the inducement resolution with the Commission's approval.

The following persons commented in support of the inducement resolution for Housing Associates, Inc.: Clifton Jeffers; Bradley Inman, Bay Area Council; Naomi Gray, Black Agenda Council; a representative from the I.M.A.; Ramsey Whiteside, Baptists of San Francisco; Bert Kortz, San Francisco Landmarks Auditorium; John Yearman, Fillmore Merchant. Mr. Harold Bexton, Fillmore Associates, Inc., noted his concern about the overlapping bond inducements and Mr. Hamilton indicated that in cases where there is an existing developer, there is a separate resolution for that developer, as well as one with Housing Associates and Mr. Tishman, presented in a master development scheme in which the existing developers are willing to participate and under agreements by which their development interests are protected.

Mr. Nolan Frank indicated his opposition to having Resolution No. 14-85 only for Housing Associates, Inc. and requested Dr. Caesar Churchwell, Norman Jackson and Nolan Frank's names be added to that resolution and Mr. Hamilton indicated that Mr. Frank did

NEW BUSINESS (continued)

have the rights to one of those parcels but those rights had lapsed because Mr. Frank did not perform and he could not recommend at this time that that parcel be pulled out of the resolution and recommended inducing only those developers who have existing rights.

Ms. Mary Rogers, WAPAC, inquired why the Agency is inducing Housing Associates who has never had exclusive negotiations and Mr. Hamilton indicated because Housing Associates has a master development proposal.

The Commissioners noted that no other developer has been permitted to come forward with a master plan proposal such as Housing Associates, Inc. and shouldn't the development community be advised that the Agency is receptive to that kind of proposal. Mr. Hamilton indicated that this type of development had not been encouraged and the Agency has never received one. By the adoption of the urban design plan in 1980, the Agency sent clear signals that individual developers at the community level were desired, so that participation by neighborhood people could occur and in the marketing strategy approved by the Commission that is the course staff has pursued. There is no doubt the Agency would receive several responses in a new public offering of the master plan concept, however, if the Federal legislation that has been referred to is introduced and adopted, tax exempt financing may no longer be available.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-85 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-85 BE ADOPTED.

NEW BUSINESS (continued)

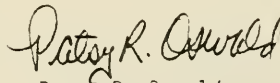
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously
carried that the meeting be adjourned. The meeting adjourned at 6:10
p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

February 19, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JANUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of January, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

and the following was absent:

DOCUMENTS DEPT.

H. Jesse Arnelle

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were F. M. Johnson, for Assemblyman Art Agnos; Tom Jones, Asian Neighborhood Design; Darius Aidala, Jerry & Johnny's/Jessie Hotel Project; H. Grant DeHart, Heritage; John Elberling, TODCO; and Ocie Mae Rogers, interested citizen.

Representing the Press were Jim Kelly, San Francisco Progress; Gerald Adams, San Francisco Examiner; and Reginald Smith, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 8, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At the Board of Supervisors meeting January 22, 1985, the Ordinance ordering Street vacations in Yerba Buena Center had its second reading and final passage has been approved.
- (b) Mr. Hamilton will appear this evening before the Civil Grand Jury for the Annual Department Report on the Agency's operation and performance for the past year. Last year's report was a particularly good one for the Agency.

UNFINISHED BUSINESS

- (a) Resolution No. 350-84 requests authorization to advertise a demolition and site clearance contract for 81-85 Third Street (Jerry and Johnny's), Lot 29; 71-77 Third Street/183 Jessie Street (Breen's), on Block 3707 in Yerba Buena Center. This is a modified resolution deleting Lot 31, 167-181 Jessie Street (Jessie Hotel) from the contract as proposed originally.

Mr. Hamilton reported on item (a) as follows. This item was continued from the January 8 meeting to allow time for discussions with the Landmarks Preservation Advisory Board regarding the Jessie Hotel and for further consideration of issues that had been raised in connection with the proposed demolition. Since that time, a meeting has been held with Patrick McGrew, President of the Landmarks Preservation Advisory Board, and Jonathan Malone, Secretary to the Board, to review the issues regarding the property. The results of this meeting were reported to the Advisory Board and a letter was received from them requesting that the Jessie Hotel be preserved and rehabilitated as part of the overall development of the parcel. Although staff believes that the optimum development of the site requires clearance of the hotel, it is recommended that the offering for this parcel request that proposals consider incorporating the building as part of the office building development to the extent feasible. Any retention of the building would not be for residential use. The offering will be brought before the Commission for authorization to solicit proposals at a future date. At that time the issues of use and the question of finally how the Commission might wish the building to be preserved, and how the offering ought to be structured to do that, would be addressed. Communications have been received and given to the Commission from the Landmarks Advisory Board, Supervisor Bill Maher and Assemblyman Art Agnos.

Mr. Grant DeHart, Foundation for San Francisco's Architectural Heritage; Mr. John Elberling, TODCO; Mr. Tim Johnson, representing Assemblyman Art Agnos; Mr. Darius Aidala, and Mr. Tom Jones, Asian Neighborhood Design, spoke in favor of deleting the Jessie Hotel from this demolition contract.

Mr. Lee inquired as to the time frame anticipated by the Agency to test the market to determine economic feasibility and Mr. Hamilton indicated that a recommendation for consideration by the Commission was expected to be available within two to three weeks after evaluation of responses. Mr. Lee inquired about Mr. DeHart's comments that costs for rehabilitation had been over-estimated by 100% and Mr. DeHart indicated that Mr. Peter Culley had only responded to a previous figure that was estimated by Agency staff, but his general impression is that it is over-estimated by more than 100%. Under contract to Heritage, Mr. Culley will estimate the rehabilitation costs, which are expected to be considerably less than those presented.

UNFINISHED BUSINESS (continued)

Ms. Berk inquired about the relocation of Jerry and Johnny's and Mr. Hamilton indicated that Jerry and Johnny's would be temporarily relocated as an interim measure but ultimately they would be relocated to a permanent location.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-84 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 43-85 requests authorization of exclusive negotiations, until April 24, 1985, with Paul Park and Young Hi Moon Park for Parcel 687-C located at 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The developers propose to rehabilitate this two-story Victorian building that was constructed in 1875 as their personal residence. This building was one of eight Agency-owned properties offered under Rehabilitation Offering No. 24. Last December at the public opening of responses, two bids were received from certificate holders and eighteen from non-certificate holders. Based on the selection criteria established in the offering, it was determined that the offer by the Parks is the highest qualified response. Satisfactory evidence of financial capacity to undertake the project has been provided. Paul Park is a self-employed photographer and Young Hi Moon Park, a Western Addition A-2 Certificate Holder, is the owner and manager of the Midori Restaurant. The Performance Schedule calls for submission of schematic drawings by March 5, 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-85 BE ADOPTED.

- (b) Resolution No. 44-85 requests authorization of exclusive negotiations, until April 24, 1985, with John and Eugenia Young for Parcel 1126-g located at 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. A written request has been received from the Youngs to withdraw their offer on the subject property.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (b) would be tabled. There being no objection it was so ordered.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Patsy R. Oswald

Patsy R. Oswald
Secretary

APPROVED

February 19, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JANUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of January, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian
H. Jesse Arnelie

DOCUMENTS DEPT.

and the following were absent:

1 - [illegible]

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Lyman Jee, Arcon, Inc.; Fred Jordan, H. A. Wilson, Metropolitan Savings & Loan; Ocie Mae Rogers, Bruce E. Loughridge, and David Mischel, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of December 11, 1984, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On January 22 Mr. Hamilton appeared before the Civil Grand Jury for the Annual Department Report on the Agency's operations and performance for the past year. A favorable report is expected.
- (b) The appointment of Dorman Commons to the Agency Commission was before the Board of Supervisors' Rules and Legislation Committee today, however, apparently there was a failure to advise Mr. Commons that he should be present. Since it is the Board's wish that a new Commissioner be present when confirmation is considered, the matter was held over.
- (c) The Regular Meeting of February 5 is in question due to a lack of Agency items.

NEW BUSINESS

- (a) Resolution No. 45-85 requests authorization to extend exclusive negotiations until April 3, 1985, with Roosevelt and Altheda Carrie for Parcel 683-D(1) located near the southeast corner of Steiner and Sutter Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In August 1984 exclusive negotiations were authorized with the Carries who propose to construct 42 market-rate condominiums with additional parking to accommodate their adjacent office building, which has no parking. It is believed that the developers lack sufficient financial strength to proceed with this project alone, therefore, in November 1984 an extension was authorized to allow the developers time to arrange an appropriate joint venture agreement. To date this has not materialized. This extension would allow the Carries additional time to finalize a joint venture agreement to be brought before the Commission for consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-85 BE ADOPTED.

- (b) Resolution No. 46-85 requests authorization of exclusive negotiations, until May 1, 1985, with Sutter Associates for the building located at 1689 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Sutter Associates, a California Limited Partnership to be formed with David Mischel as general Partner, proposes to rehabilitate this two-story Victorian building that was constructed in 1875 as a personal residence for Mr. Mischel who is an A-2 Certificate Holder and a licensed contractor. The building was one of the eight Agency-owned properties offered under Rehabilitation Offering No. 24. Last December at the public opening of responses, one was received from a Certificate of Preference Holder and twelve from non-certificate holders. Based on the selection criteria established in the offering, it was determined that the offer by Sutter Associates is the highest qualified response. Satisfactory evidence of financial capacity and rehabilitation experience to undertake the project has been provided. The Schedule of Performance calls for submission of schematic drawings and a limited partnership agreement of Sutter Associates for Agency review by March 20, 1985.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-85 BE ADOPTED.

- (c) Resolution No. 47-85 requests authorization of a Second Amendatory Agreement to the LDA with Bruce Loughridge and Lawrence Spergel for the building located at 1402-1404 Post Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. In May 1984 an LDA was authorized with the developers who propose to rehabilitate this three-story 1890 two-unit Victorian as four residential condominium units. In November 1984 a First Amendatory Agreement was approved to allow the developers additional time to submit revised drawings in order to lower the construction costs to make the development economically feasible. They were unable to meet the revised performance schedule and were placed in default. Staff met with the developers, their architect, general contractor and mortgage broker to discuss the relevant issues and in view of the Developer's past performance in complying with the terms of the LDA and their good faith efforts to make the project feasible, determined the request for an extension justifiable. The revised Performance Schedule would extend submission of final construction documents to February 5, 1985, evidence of financing to March 19, 1985 and conveyance of the site to May 19, 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-85 BE ADOPTED.

- (d) Resolution No. 48-85 requests authorization of a Second Amendatory Agreement, extending the conveyance date to April 4, 1985 to the LDA with Daniel Hickey for Parcel I-3 located on the south side of Fairfax Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (d) as follows. Mr. and Mrs. Hickey and Mr. Frederick Siegel, owners of Minute Men Press, Inc., propose to construct two buildings containing offices, printing and related shipping facilities, including parking and landscaped areas. In 1983 LDA's were authorized with the developer for Parcels I-2 and I-3 with subsequent Amendatory Agreements to accommodate the UDAG process, which was being explored at that time along with conventional financing. Since that time the developer decided to terminate his application for a UDAG. However, this was always viewed as a contingency or fallback measure in the financing and for this reason he continued to explore conventional financing. Parcel I-2 is scheduled to be conveyed this week and although financing is in place for Parcel I-3, the building permit is not expected to be issued for approximately two and a half months. To accommodate this delay an extension of the conveyance date to April 4, 1985 is requested.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-85 BE ADOPTED.

- (e) Resolution No. 49-85 requests authorization of a Rental Agreement with Metropolitan Savings and Loan Association for the temporary placement of a trailer on Development Site Parcel D, bounded by Third, Evans, Newhall and Galvez Streets in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (e) as follows. This site is to be conveyed to Future Perfect, Inc. early in 1986. They have approved the use of the parcel and they have in writing agreed to accept the property with the tenant on the site. Tenancy will be on a month-to-month basis at a rental rate of \$450. Metropolitan intends to obtain the required property and liability insurance and is in possession of an organizing permit from the California Department of Savings and Loan. This organization is fully capitalized and has received the necessary approvals from the State of California and the Federal Home Loan Bank Board. Several of its organizers are minority persons and application will be made for certification as a minority bank whose purpose will be to serve the needs of the Bayview-Hunters Point community. The proposed interim use of this parcel is in conformity with adopted Agency policy.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-85 BE ADOPTED.

- (f) Resolution No. 50-85 requests approval of architectural design for Phase I to Arcon, Inc.
- (g) Resolution No. 51-85 requests authorization of an Owner Participation Agreement with Arcon, Inc. for construction of an Office Building in the block bounded by Hawthorne, Howard, Second and Folsom Streets, Block 3735, Lot 56, in Yerba Buena Center.

Mr. Hamilton reported on items (f) and (g) as follows. The project consists of construction of a twenty-story office tower on an existing surface parking lot with a plaza on Hawthorne Street, and a surface parking area fronting on Second Street. Also proposed is a two level underground parking garage and storage area under the new tower with access from Hawthorne. Adjacent is a two bay enclosed loading dock. A retail commercial arcade links the building's lobby elevators and retail spaces with both Hawthorne and Second Streets. A Phase II second building, if proposed, would be the subject of a future Owner Participation Agreement and it would replace the surface parking area on Second Street and construct a seven-story building with sub-surface parking and storage. The developer acquired an option to purchase the property in 1983. Subsequently, design drawings were submitted for review and staff has been working with the developer's architects to modify and resolve design concerns. The design was presented to the Planning Department for their review and comments and they are in general agreement with the overall design of the building. Their comments have been incorporated in the list of design concerns. Staff believes that the design concerns can be successfully addressed during the final phase of design work by the architects. It should be noted that it was necessary to complete the Second Supplement to the Environmental Impact Report (EIR) by filing the Notice of Determination before the Agency could act on the development proposal. This notice was filed following the Board of

NEW BUSINESS (continued)

Supervisors' final action on the Central Block 3 lease. Arcon has requested the OPA which formalizes the Agency's and developer's role for this development. This property was under an OPA in 1967 and, although the YBC Plan does not require Agreements for properties which have previously been under an OPA, it is important to clearly establish the scope of development and the responsibilities through the OPA process.

Mr. Lee inquired whether the eleven items of concern with design had been discussed with the developer and Mr. Edmund Ong, Chief of Architecture, indicated that they had been discussed with the architect for the project who did not anticipate any problem in attempting to satisfy the eleven items of concern.


ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-85 BE ADOPTED.

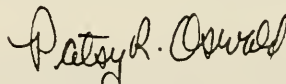
ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patricia Feinsilver
Acting Agency Secretary

Edited by


Patsy R. Oswald
Secretary

APPROVED

February 19, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF FEBRUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of February, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

and the following were absent:

Walter S. Newman, Vice President
H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Marilyn Abend, Grubb & Ellis; Teddy Schley and Patricia Brown, Duquette Foundation; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Eliel Redstone, Redstone and Ottoman; Nicola Smith, TBC; Mark Levinson, Levinson Brothers; James San Jule, Fillmore Plaza; Nicholas Dempsey, Western Commercial Partnership; and John Demergon, Roy Chew, Nobby Nakamura, and Tom Caylor, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES .

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, approval of the Minutes of the Regular Meetings of June 5, 1984, August 21, 1984, September 21, 1984, January 15, 1985, January 22, 1985 and January 29, 1985 would be held over for one week. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) On February 5th, the Planning, Housing and Development Committee of the Board of Supervisors held a special meeting to consider the cumulative major plans and projects and the effects of the projects as they are currently being considered by City Planning, the Redevelopment Agency, the Port and San Mateo County. Staff attended the session and gave a presentation on major Agency projects. There was discussion relative to coordination between City Agencies and the County of San Mateo. The meeting ended with the Committee indicating continuing meetings as they explore ways to assure better coordination.
- (b) On February 14th, at 10:30 a.m., there will be a groundbreaking for Minute Men Press. The owners, Mr. & Mrs. Daniel Hickey and Frederick Siegel, will be constructing a new office, printing and shipping facility on one of the last parcels to be developed in the India Basin.
- (c) The Agency's offices will be closed for Washington's birthday, February 18th.
- (d) Congratulations are extended to Commissioner Charlotte Berk who has been included in a list of women singled out for awards by the San Francisco League of Women Voters to the ten women whose contributions to the City on behalf of the citizens and government have been of such note that they need to be distinguished for their contribution to the advancement of women in public affairs. Also included in the list were Mayor Feinstein and Julia Porter. An editorial noted that this is an outstanding group, being properly honored by an organization that has done outstanding work in providing non-partisan voting information to all citizens.

Mr. Mardikian noted that, in addition to Ms. Berk being honored by the League of Women Voters, yesterday she was KABLE radio's Citizen of the Day.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Proposed Redevelopment Plan Amendments for the Western Addition A-1. President King opened the public hearing to hear all persons interested in this matter.

Resolution 52-85 requests authorization of Amendments to the Western Addition A-1 Redevelopment Plan and transmittal to the Board of Supervisors.

- (b) Resolution 53-85 requests authorization to transmit same to the City's Planning Commission.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (a) and (b) as follows. The official Redevelopment Plan for the Western Addition A-1 was originally adopted in 1956 and subsequently amended five times, generally to permit additional land uses in response to changing development characteristics within the project area. This Sixth Amendment proposes to enlarge the project area by including two parcels on the south side of Geary between Fillmore and Steiner; permit a Primary Land Use Category of Community Shopping and an Alternate Land Use Category of Higher Density for residential development on certain parcels on Blocks 707 and 708, which are presently designated with the Primary Land Use of Community Shopping; require that for the Alternate Land Use Category the maximum floor ratio, as well as the minimum number of parking spaces, shall be determined by the underlying Primary Land Use Category; and reduce the height of buildings in the higher density residential areas from 200 to 130 feet to conform to the existing height limit within the City Planning Code and that height limit proposed for Neighborhood Commercial Rezoning presently being considered by the City Planning Commission. The reasons for amending the plan are to provide the option of residential and commercial development for properties within the Geary corridor on the north side of the Fillmore Center and to include two presently excluded properties which are functionally and geographically part of the Center. Over the years there has been repeated requests for land uses not now permitted under the Plan and the Amendment will provide present and future property owners with development flexibility consistent with the urban design concept of the entire Fillmore Center. In addition, the amendment will enable Western Commercial Partnership, the potential purchaser of the parcel known as the Mayfair property, as well as other adjacent property owners, to develop housing above ground floor commercial activity within the Geary corridor. Western Commercial Partnership has provided \$50,000 to cover costs involved in amending the Plan. As a result of an initial study of the proposed Plan Amendments by staff, it has been determined that they will not have a significant effect on the environment and therefore a Negative Declaration has been prepared. California Redevelopment Law requires that proposed plan amendments be submitted to the Planning Commission for its report on conformity to the Master Plan and they have 30 days to complete their report and recommendation to the Board of Supervisors. Then the Board of Supervisors must hold a public hearing on the amendments before final adoption, which should occur in mid-March of this year. It should be noted that in the event an Owner Participation Agreement has not been executed with Anthony and Elizabeth Duquette (Foundation for the Living Arts) who are the proposed purchaser of the building at 1839 Geary Blvd., which is included in this amendment, before the Public Hearing by the Board of Supervisors, it will be deleted from the Plan Amendment.

Minutes of a Regular Meeting, February 12, 1985

NEW BUSINESS (continued)

Mr. Hamilton suggested that all public testimony be heard from interested parties who have appeared in response to the public notice relative to the Amendment, but that no action be taken today. It is requested that the public hearing and action on these items be continued until next week's meeting, as staff would like to study to what extent height limits may produce shadows on Kimbell and Hamilton parks. This is being consistent with City policy, given current concerns about shadowing parks.

The following persons spoke regarding the amendment: Ms. Teddy Schley and Ms. Patricia Brown, representing the Duquette Foundation for the Living Arts; and Ms. Mary Brown, WAPAC.

There being no further persons wishing to speak regarding this matter, the President declared the public hearing closed.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, the Public Hearing and action on items (a) and (b) would be continued for one week at staff request. There being no objection, it was so ordered.

NOTE: A transcript of these proceedings is on file with the Agency Secretary.

- (c) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel 754-B, Western Addition A-2.

President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 54-85 requests authorization of a Land Disposition Agreement with 1470 Golden Gate Condominiums for parcel 754-B located on the north side of Golden Gate Avenue between Pierce and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In November 1984 exclusive negotiations were authorized with Thomas Ottoman and Eliel Redstone, general partners of 1470 Golden Gate Condominiums, a newly formed partnership. The developer proposes to construct six market rate 2-bedroom units. Tax exempt bond financing has been secured through the Mayor's Office of Housing and Economic Development to provide low interest mortgage money to purchasers. Under the bond financing guidelines the maximum sales price is \$137,790. The developers have satisfied all of the requirements of exclusive negotiations, including preliminary evidence of equity capital, schematic drawings and a satisfactory affirmative action program. The Performance Schedule calls for submission of evidence of financing by November 13, 1985 and conveyance of the site by December 11, 1985.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

NEW BUSINESS (continued)

Ms. Berk inquired as to the size of the condominiums and Eliel Redstone, the developer, indicated approximately 1,000 square feet containing two bedrooms and two baths each.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-85 BE ADOPTED.

- (d) Resolution No. 55-85 requests authorization of Exclusive Negotiations until March 18, 1985, with Western Commercial Partnership for the office building located on the east side of Fillmore between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In August 1981 an LDA was authorized with Safeway to construct a Safeway store on parcel 725-1 and a three-story commercial office building on parcel 725-2 for sale to the Agency or its designee within thirty days of completion. The Agency placed a down payment of \$1,200,000 in escrow, reserving interest to itself or investment until consummation of the sale. Construction of the office building has been slowed, but is expected to be completed before July 1985. Western Commercial Partnership, who are under exclusive negotiations for development of an adjacent parcel, propose to acquire the office building as the Agency designee. In addition to being agreeable to the terms proposed by Safeway the developer is willing to assume the Agency's obligations to Safeway and provide for community participation in ownership and preferential leasing to minority and local tenants.

Mr. Mardikian expressed concern about the Agency achieving its original goals if they sell this building to Western Commercial Partnership. Those goals, as he remembers them, were that the Agency wanted this building constructed because it felt it would enhance the commercial development of Fillmore Street, provide an investment opportunity for area based investors to become a part of what would hopefully be a revitalized Fillmore Street. Mr. Hamilton indicated that the objectives remain the same and that the limited partnerships will provide an opportunity for investment by area persons. The major objective of negotiations is to pursue those objectives and to transfer the obligation of space available to people within the community, or who were in the community, at least at rates they can afford to handle. When the LDA is presented for consideration the Commission can measure the extent to which this has been done.

Mr. Mardikian indicated that, as he recalled, the Agency is essentially providing this opportunity at cost to the developer and, while it is worthwhile, if it achieves the goals of fostering and enhancing the commercial development on Fillmore Street, will there be language in the Agreement that reasonably and correctly memorializes the fact that the developer does not intend to speculate. Mr. Leo Borregard, Agency General Counsel assured that this agreement or any agreement that comes back to the Commission for consideration will contain that language.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-85 BE ADOPTED.

- (e) Resolution No. 56-85 requests authorization of a Sixth Amendatory Agreement to extend the performance schedule by 60 days to the LDA with Third Baptist Church for parcel 750-A bounded by Eddy, Fillmore, Steiner and Turk Streets, Western Addition A-2.
- (f) Resolution No. 57-85 requests authorization to extend exclusive negotiations with Fillmore Associates until April 17, 1985 for parcel 726-A on the southwest corner of Fillmore and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on items (e) and (f) as follows. In May 1982 an LDA was authorized with Third Baptist Church for a commercial/office building, school and sanctuary. In December 1983 exclusive negotiations were authorized with Fillmore Associates for development of 164 market-rate condominiums with ground floor commercial space. In September 1984 Donald Tishman submitted an unsolicited proposal for development of the Fillmore Center. This mixed-use development would encompass both subject parcels, as well as most of the vacant Agency-owned land in the Fillmore Center area. These extensions are being requested while the Tishman proposal is being reviewed. Both developers have entered into preliminary agreements with Donald Tishman to act as co-developers in the Fillmore Center venture and in that regard a portion of the institutional uses proposed by the church will be included in the overall development. The developers have also agreed to relinquish their rights prior to Agency action should the Tishman proposal be approved.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-85 BE ADOPTED.

- (g) Resolution No. 58-85 requests authorization of exclusive negotiations, until May 15, 1985, with Rody B. Leano for the building located at 906 Steiner Street in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. The developer proposes to rehabilitate this two-story Victorian building that was constructed in 1887 as a two-family structure with one unit for his personal residence and the other as a rental unit. This building was one of the eight Agency-owned properties offered under Rehabilitation Offering No. 24. Last December at a public opening of responses, none were received from certificate holders and eight from non-certificate holders. Based on the selection

NEW BUSINESS (continued)

criteria established in the offering, it was determined that the offer by Mr. Leano is the highest qualified response. Satisfactory evidence of financial capacity to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-85 BE ADOPTED.

- (h) Resolution No. 59-85 requests authorization of insurance coverage for sixty days through Levinson Bros., Inc., at an approximate cost of \$20,000, on 32 Agency-owned buildings in the Western Addition A-2 and Yerba Buena Center.

Mr. Hamilton reported on item (g) as follows. On January 11, 1985, notification was received from the Canadian Indemnity Company that insurance coverage on these buildings would be terminated effective January 31, 1985. Upon investigation, it was revealed that the carriers capability to continue to meet its financial obligations had come under question forcing it to severely curtail its operations. Through the Agency's broker, Kindler and Laucci Insurance Brokers, coverage extension has been secured through February 14, 1985. This action was taken to allow time to solicit proposals from other brokers. Out of twenty proposals solicited, only two met the filing deadline requirements. Proposals received have been compared with those of last year, revealing a large increase. In an effort to minimize costs, further study is required which cannot be completed by February 14, 1985, the expiration of the current coverage. It appears Levinson Bros. is best suited to meet the Agency's needs and they have agreed to place the insurance, as specified, except that the deductible is increased to \$25,000 per occurrence with the stipulation that the Agency reserves the right to re-negotiate the terms of the coverage for a period of sixty days after initial placement.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-85 BE ADOPTED.

- (i) Resolution No. 60-85 requests authorization to exempt from Eminent Domain the property located at Block 5260, Lot 321 on the southwest corner of Third Street and Hudson Avenue in the Bayview Industrial Triangle.

Mr. Hamilton reported on item (i) as follows. This Redevelopment Plan was adopted by the Board of Supervisors in June 1980 for the purpose of economic revitalization of the predominantly industrial area through programs of rehabilitation and new development. In 1981 redevelopment activities were suspended as a result of a reduction in the City's 1982 Community Development Block Grant and until funds are again available the Agency will not actively pursue redevelopment of the area but only respond to the best of its ability to community requests for assistance.

NEW BUSINESS (continued)

The California Community Redevelopment Law provides that if a public entity has adopted a redevelopment plan but has not commenced an eminent domain proceedings to acquire any particular parcel within three years after the date of the plan, the fee owner may offer to sell the property to the Agency at its fair market value. If within eighteen months from the date of receipt of the original offer the Agency does not acquire or institute eminent domain proceedings, the owner may file an action against the Agency in inverse condemnation to recover damages for any interference with the possession and use of the property resulting from the plan. However, if the Agency designates the property to be exempt from eminent domain under the plan before the owner commences inverse condemnation action, the owner may not subsequently institute such action. In August 1983 the owners of the subject parcel, through their attorney, offered to sell the property to the Agency for fair market value. Since the Agency does not have the funds to acquire the property, staff believes that the possibility of inverse condemnation action should be negated.

Ms. Berk inquired if this had ever been done before and Mr. Hamilton indicated not in his tenure with the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-85 BE ADOPTED.

- (j) Resolution No. 61-85 requests authorization of First Amendatory Agreement to the LDA with Rose Mary Rodriguez Najar for parcel K-5 located on the southeast corner of Galvez Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (j) as follows. Ms. Najar, the owner of Mexican Food Products Corporation, proposes to construct a 14,000 square foot building with parking, loading and landscaped areas. The Company has occupied a factory at 18th and Alabama Streets since 1963 and employs 42 people. Fifteen persons are required by the India Basin Neighborhood Employment Program. A 50% increase in employment is anticipated upon completion of the new facility and installation of equipment. Ms. Najar has acknowledged her intent to extend employment preference to qualified community residents and the Bayview-Hunters Point Joint Housing Committee has endorsed this proposal. This extension is being requested because machinery the company had ordered cannot be accommodated under the present building design, resulting in the necessity for a revision of the plans. The new Schedule of Performance would extend submission of evidence of financing from February 13 to May 15, 1985 and conveyance of the site from March 13 to June 12, 1985.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-85 BE ADOPTED.

NEW BUSINESS (continued)

- (k) Resolution No. 62-85 requests authorization of a Seventh Amendment to the Agreement for Legal Services with Steefel, Levitt & Weiss which increases the contract amount by \$18,000 in connection with Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. The Steefel firm has been assisting the Agency under this contract since 1983, providing excellent service initially through Mr. Edward Steefel and subsequently with the assistance of Mr. Felipe Guitterez, a minority attorney. Mr. Steefel and Mr. Guitterez continue to have the lead role in the firm's work on YBC matters. Funds are almost expended due to extensive re-working of CB-3 documents in which the firm provided document preparation under the direction of Mr. Joseph Coomes and DDA amendments to incorporate changes requested in the final stages by the developer. There is an on-going need for the firm's services with regard to the DDA and assembly of the final documents file which will be the official record of the Agency. This file will be provided without charge to the City and to the developer who will pay for his file. Other than preparation of the document file, all additional work will be on an "item-by-item" request basis. The proposed amendment will result in a total maximum contract amount of \$718,000. It is believed that the availability of the firm's services is of importance in the transition from the execution of the DDA to implementation.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-85 BE ADOPTED.

- (l) Resolution No. 63-85 requests authorization of a Seventh Amendment to the Agreement for Legal Services with McDonough, Holland & Allen which increases the contract amount by \$25,000 in connection with Yerba Buena Center.

Mr. Hamilton reported on item (l) as follows. Mr. Joseph Coomes, one of the firm's partners, has been providing advice and consultation on a variety of legal issues since 1981 in connection with the implementation of the documents for YBC. Current funds have been expended earlier than anticipated, due to extensive work with respect to the CB-3 rooftop. This amendment will result in a total maximum contract amount of \$520,000. The services of Mr. Coomes will be on an "on request" basis in the transition between the execution of the DDA and its implementation. He will be of particular assistance in completing contracts relating to Garden Design and Cultural Facilities as well as dealing with CB-3 matters.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-85 BE ADOPTED.

NEW BUSINESS (continued)

- (m) Resolution No. 64-85 requests authorization of a Second Amendment to Agreement for Legal Services with Carr & Mussman, increasing the contract amount by \$7,500 in connection with Hunters Point.

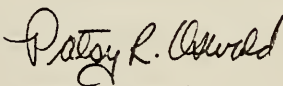
Mr. Hamilton reported on item (m) as follows. Lenell Topol of this law firm has been assisting the Agency with litigation and affirmative action matters in Yerba Buena Center and Hunters Point since 1983. All affirmative action matters for YBC are concluded, leaving only finalization of pending litigation for Hunters Point, now before the Court of Appeals. It is anticipated those funds remaining will not be sufficient to cover the additional services needed. The proposed amendment will result in a total maximum contract amount of \$17,500.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Lee and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

February 26, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF FEBRUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of February, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

and the following was absent:

H. Jesse Arnelle
Charlotte Berk (arrived 4:24 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Dexter Woods, Woods Group; Marilyn Abend, Grubb and Ellis; Dr. Rhody A. McCoy and James E. Stratten, R & J Futuristics, Inc.; Teddy Schley, Patricia Brown and Anthony Duquette, Duquette Foundation; Mary Helen Rogers, Western Addition Community; Pleasant Carson, Western Addition Project Area Committee (WAPAC); Nicholas Dempsey, Western Commercial Partnership; William Leddy and Peter VanDine, Tanner & VanDine, Architects; Nobby Nakamura, Robert Clay, Bob Dare and Ocie Mae Rogers, interested citizens.

Representing the press, Mr. Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, Approval of Minutes would be continued until the arrival at the meeting of Commissioner Berk. There being no objection, it was so ordered.

UNFINISHED BUSINESS

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, Unfinished Business, items (a) and (b) would be continued until the arrival at the meeting of Commissioner Berk. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) On February 14, ground breaking ceremonies were held for Minute Men Press, who will be constructing a new office, printing and shipping facilities in the India Basin Industrial Park. Commissioner Berk was in attendance, as well as Supervisor Hongisto.

NEW BUSINESS

- (a) Resolution No. 65-85 requests authorization of Exclusive Negotiations, until May 22, 1985, with Robert and Dorothy Clay for the building located at 1985 Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This three-story 1910 Edwardian-style building was constructed as twelve apartment units. It is one of the eight properties in Rehabilitation Offering No. 24. One response was received at the public opening in December from an A-2 Certificate Holder, and that was Mr. Robert Clay. Seven responses were received from non-certificate holders. Based on the Offerings' selection criteria, it was determined that the Clays submitted the highest qualified response. They are prepared to comply with a condition of the offering that the building remain as a residential rental project. Satisfactory evidence of financial capacity to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-85 BE ADOPTED.

- (b) Resolution No. 66-85 requests authorization of Exclusive Negotiations, until June 19, 1985, with the Woods Group for the building located at 1339-1341 Pierce Street in the Western Addition A-2.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (b) would be continued for one week at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 67-85 requests authorization of Exclusive Negotiations, until May 22, 1985, with Bob, Jane and Colbert Dare for the building located at 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The developers propose to rehabilitate this three-story Edwardian-style building, constructed in 1906, for residential rental development. Following a public opening of responses, under Rehabilitation Offering No. 24, last December, the only offer from an A-2 Certificate Holder, Mr. John Young, was approved.

NEW BUSINESS (continued)

However, Mr. Young has since withdrawn his response due to personal family problems, which have affected his financial position. Based on the selection criteria established in the offering, it was determined that the next most qualified response is that from Mr. Bob Dare, a non-Certificate Holder. Satisfactory evidence of financial capacity to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-85 BE ADOPTED.

- (d) Resolution No. 68-85 requests authorization of an Amendment to the Disposition and Development Agreement (DDA) with YBG Associates for a time extension in connection with negotiations of the Gardens landscape architect.

Mr. Hamilton reported on item (d) as follows. The DDA requires that the Agency and the Developer negotiate in good faith to attempt to reach agreement on the Agency's employment of the Developer as the designer of YBG Gardens within 60 days after the DDA was signed. If an Agreement has not been reached within this time, the Agency is then free to negotiate with another party for these services. The Developer has requested a 45-day extension of this negotiation period to April 1, 1985. Also under the DDA Schedule of Performance, the Agency is to provide the Developer with the name of the Gardens landscape architect by May 19. As a result of the 45-day extension of the negotiations period, it is requested that the May 19 date also be extended by 45 days. Staff believes the draft contract does need revision to reflect the final conclusions of negotiations embodied in the DDA to reach agreement on the terms of the contract. This extension will not create a delay in the overall completion of the YBC development.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-85 BE ADOPTED.

President King announced there would be a brief recess. The meeting recessed at 4:20 p.m. Ms. Berk arrived at 4:24 p.m. The meeting reconvened at 4:25 p.m.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of June 5, 1984, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of August 21, 1984, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 11, 1984, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 15, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 22, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of January 29, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of November 27, 1984, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of February 12, 1985, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

Public Hearing to hear all persons interested in the Proposed Redevelopment Plan Amendments for the Western Addition A-1.

President King opened the public hearing to hear all persons interested in this matter.

- (a) Resolution No. 52-85 requests authorization of Proposed Amendments to the Western Addition A-1 Redevelopment Plan and transmittal to the Board of Supervisors.
- (b) Resolution No. 53-85 requests authorization to transmit proposed Amendments to the Western Addition A-1 Redevelopment Plan to the City's Planning Commission.

Mr. Hamilton reported on items (a) and (b) as follows. The Public Hearing and action on these items were continued from last weeks meeting, so staff could investigate the potential shadows that may be cast upon Kimbell and Hamilton Playgrounds if buildings were allowed to develop to the maximum height of 130 feet. If the entire westerly block (Fillmore to Steiner) was developed with a building at the 130 maximum height limit a fairly sizable portion of Kimbell Playground would be shadowed for 1 1/2 hours during the early morning of June 22 and a somewhat similar situation would be created on Hamilton Playground for 1 hour during the mid-morning of December 22.

UNFINISHED BUSINESS (continued)

However, since the 130 foot height limitation applies only to the Alternate use of M-6 and the fact that alternate use categories are granted at the discretion of the Commission, it is believed that sufficient control currently exists to shape any future buildings so as to eliminate or minimize any shadowing impacts on Kimbell and/or Hamilton Playground. Though the Commission in the past has dealt with alternate uses as discretionary, the Redevelopment Plans, for the most part, do not state this explicitly. Therefore, it is recommended that the following language be adopted for inclusion with the Redevelopment Plan Amendments before you. "An Alternate Land Use may or may not be permitted at the discretion of the Commission, and in addition, the Commission may impose conditions on the alternate land use including, but not limited to height, bulk, floor area ratio, building setbacks, architectural design and exterior signage."

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Newman indicated he would abstain from voting on items (a) and (b) since he had not been present at the opening of the Public Hearing on February 12, 1985.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, THAT RESOLUTION NO. 52-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, THAT RESOLUTION NO. 53-85 BE ADOPTED.

Mr. Newman complimented Mr. Anthony Duquette of the Duquette Foundation on the accomplishments of his organization in Los Angeles and expressed the hope that there would be a similar program forthcoming for San Francisco.

Leo Borregard, Agency General Counsel, introduced the Agency's new attorney, Ms. Robin Donoghue, to the Commission and staff.

President King announced that the meeting would be recessed to a closed session on personnel after which the meeting would be reconvened in the fourth floor conference room for item (e). The meeting recessed at 4:35 p.m. The meeting reconvened in the fourth floor conference room at 5:05 p.m. with the same roll call.

NEW BUSINESS (continued)

- (e) Workshop on the Bayview Square (Future Perfect, Inc., James Stratten and Dr. Rhody McCoy), for Parcel D, located on the southeast corner of Third and Evans Avenue; India Basin Industrial Park.

NEW BUSINESS (continued)

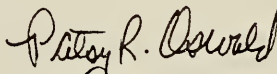
Mr. Hamilton reported on item (e) as follows. An LDA was authorized in June 1984 with Future Perfect, Inc., whose principals are Dr. Rhody McCoy and James Stratten. They are proposing to develop office and commercial space on the parcel bounded by Third and Newhall Streets and Evans and Galvez Avenues in India Basin Industrial Park known as Bayview Square. The purpose of this workshop is to give the developer an opportunity to present material showing the exterior design and Pergola treatment of their building. Concerns regarding their treatment had been previously expressed by the Commission.

Mr. Peter VanDine and Mr. William Leddy, Architects, presented the design concept for the development and commented on the Commissions' concerns regarding the Pergola treatment of the building.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:27 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

March 12, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF FEBRUARY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of February, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnette
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

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and the following was absent:

None

The President declared a quorum present.

President King reported to the Commissioners on the following matter:

- (a) Dorman Commons, Commissioner-designee, is in the audience. It is expected he will be brought on board in the near future.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Dexter Woods, Woods Groups; Mary Helen Rogers, Western Addition Community; Ocie Mae Rogers and Dorman Commons, interested citizens.

APPROVAL OF MINUTES

- It was moved by Mr. Arnette, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of February 12, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The condominium development known as 1325 Divisadero, and at that address, will have their sales office and furnished model open on March 2. The Carnelian Capital Fund, Inc. and Arnold Townsend as

REPORT OF THE EXECUTIVE DIRECTOR (continued)

General Partners worked together to rehabilitate this building into 16 affordable residential condominiums. The ground floor space that will house KP00 Radio Station is nearing completion. A grand opening of the completed building will be scheduled in the next few weeks.

- (b) Suttermore Corporation will be holding a grand opening celebration of their condominiums called Sutter Park West on March 7 at 2060 Sutter Street.
- (c) The Board of Supervisors' Rules Committee voted favorably on the appointment of Dorman Commons to the Agency Commission. It is expected that his appointment will now go before the full Board on Monday, March 4, and he will be sworn in by the Mayor at a time yet to be determined.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton reported that he had been requested by the Mayor to go to the Housing Authority for a period not to exceed six months. During this time he will assume the responsibilities of Acting Executive Director of the Housing Authority. He will take on specific responsibilities having to do with the fiscal affairs of the Authority, the delivery of services to the residents of public housing units and to conduct and develop a national search for a permanent appointee to the position of Executive Director. It is proposed that during his absence Mr. Redmond Kernan, Senior Deputy Executive Director, be appointed Acting Executive Director and that Mr. Earl Mills, Deputy Executive Director for Community Services be appointed Acting Senior Deputy Executive Director. Mr. Kernan and Mr. Mills, during their tenure in these positions, would be compensated in accordance with the Agency's personnel policy. Mrs. Jane Hale, former Agency Deputy Executive Director for Finance and Administration and Estelle Crawford, Executive Secretary, will also be going to the Housing Authority. On-going contact will be kept with senior staff and Mr. Hamilton will be involved in all major developmental and policy decisions of the Agency.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR, WILBUR W. HAMILTON, BE RELIEVED OF HIS DUTIES AS EXECUTIVE DIRECTOR FOR A PERIOD NOT TO EXCEED SIX MONTHS, CONDITIONED ON HIS APPOINTMENT AS ACTING EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT THE SENIOR DEPUTY EXECUTIVE DIRECTOR, REDMOND F. KERNAN, BE APPOINTED ACTING EXECUTIVE DIRECTOR, WITH THE APPLICABLE RATE OF PAY FOR THE HIGHER CLASSIFICATION, FOR A PERIOD NOT TO EXCEED SIX MONTHS, CONDITIONED ON MR. HAMILTON'S APPOINTMENT AS ACTING EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY.

MATTERS NOT APPEARING ON AGENDA (continued)

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT THE DEPUTY EXECUTIVE DIRECTOR, COMMUNITY SERVICES, EARL P. MILLS, BE APPOINTED ACTING SENIOR DEPUTY EXECUTIVE DIRECTOR, WITH THE APPLICABLE RATE OF PAY FOR THE HIGHER CLASSIFICATION, FOR A PERIOD NOT TO EXCEED SIX MONTHS, CONDITIONED ON MR. HAMILTON'S APPOINTMENT AS ACTING EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY.

UNFINISHED BUSINESS

- (a) Resolution No. 66-85 requests authorization of Exclusive Negotiations, until June 19, 1985, with the Woods Group for the building located at 1339-1341 Pierce Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The developers propose to rehabilitate this two-story Edwardian-style building which contains two flats and a garage. The Woods Group is comprised of Dexter Woods with 51% interest, Clarence and Brenda Williams 29%, Reginaldo and Ruby Woods 10% and Wade Woods with 10% interest. The Managing General Partner, Mr. Dexter Woods, who is an A-2 Certificate Holder, intends to occupy the first floor unit. It had previously been staff's intention to offer this property under Rehabilitation Offering No. 24, however, in October 1984, an opportunity for exclusive negotiations with Mr. Dexter Woods was approved, subject to Agency requirements being met. A formal proposal has now been submitted providing satisfactory evidence of financial capacity to undertake the project. The Performance Schedule calls for a Partnership Agreement and an updated conditional commitment for construction financing by May 1, 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 69-85 requests authorization of a Second Amendatory Agreement to the LDA with Nolan Frank and Frances Lung for Parcels 1129-I and 1129-Q located at 1800-1804 Turk Street/1101 and 1107-1111 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In May 1984 an LDA was authorized for development of the subject two properties as a single 16-unit residential building. A First Amendatory Agreement was approved in December 1984 to allow additional time for the Bank of America, the underwriter for the California Housing Finance Agency (CHFA) Rental Housing Bond Program, to complete their appraisal, which has now been accomplished. However, the loan package still needs approval by the Bank's Los Angeles office, due to the time that had elapsed since submission

NEW BUSINESS (continued)

of the initial loan application, they have requested updated financial statements. As a consequence the developers were placed in default on January 27, 1985 for failure to submit evidence of financing by the required date of January 16 and were given until February 26 to cure this. Assurances have been received from the Bank that approval is imminent. Approval of a \$50,000 State Deferred Loan is contingent upon a firm commitment from the Bank of America for the CHFA loan. The State Office has indicated they expect approval within one week upon receipt of the required documentation. This will be followed by a further 2-3 week processing through various City Departments. All other requirements of the LDA have been complied with and a building permit has been issued. The new Performance Schedule would call for Submission of Evidence of Financing from January 16 to March 20 and Conveyance of the Site from February 28 to April 24, 1985.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. HARKIDIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-85 BE ADOPTED.

- (b) Resolution No. 70-85 requests authorization of a Personal Services Contract, effective March 1, 1985, with Eaglin Security Patrol for security services at 939 Ellis Street.

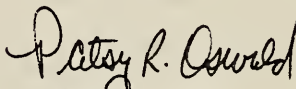
Mr. Hamilton reported on item (b) as follows. In October 1984 a contract was authorized with Ellington Security Services, however, they could not meet the Agency's standard insurance requirements. After considering alternative vendors, it appears that Eaglin Security best suits the Agency's needs. This is a minority-owned business based in Richmond. They have performed a considerable amount of work for Agency-sponsored housing developments and their references gave very high marks for the security service they have provided. The initial term of the contract would be for twelve months for an amount not to exceed \$8,000 with an option for a twelve month extension. All services would be ordered on an as-needed basis.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

March 12, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF MARCH 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of March, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

and the following was absent:

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H. Jesse Arnette

PUBLIC LIBRARY

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Edward Allison, Graham and James; Dan DeFount, Tamal Construction; and Jim Stratten, R & J Futuristic.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session of February 19, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of February 26, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Commissioner-designate, Dorman Commons, was confirmed by the Board of Supervisors at their meeting yesterday. Swearing in ceremonies are expected to take place shortly.
- (b) On the Civil Service and General Administration Committee of the Board of Supervisors agenda today was a hearing to consider combining the San Francisco Housing Authority with the Redevelopment Agency. Supervisor Molinari, who introduced that

REPORT OF THE EXECUTIVE DIRECTOR (continued)

resolution, has requested that the item be held for the call of the Chair. It is anticipated that it may be calendared again in about three months.

- (c) The Planning, Housing and Development Committee of the Board of Supervisors will hold a hearing March 12 to consider the feasibility of preserving the publicly-owned Jessie Street Hotel for affordable senior housing. Staff will attend this meeting and report back to the Commission.

NEW BUSINESS

- (a) Resolution No. 71-85 requests authorization to establish goals and set-asides for Contract awards from 1985 Community Development Block Grant (CDBG) Funds to Minority-owned Business Enterprises (MBEs) and Woman-owned Business Enterprises (WBEs).

Mr. Kernan reported on item (a) as follows. All City and County departments are required to comply with Ordinance 139-84, which requires them to establish annual goals and set-asides for the award of contracts to MBEs and WBEs. It also provides for a 5% preference for local business, MBEs and WBEs in the award of bid contracts. The annual set-asides required are 10% for MBEs and 2% for WBEs. Each department is allowed to establish its own goals, however, the overall aim is for a 30% MBE goal and a 10% WBE goal. Our Legal Department is presently in the process of determining whether implementation of a preference program would be in violation of State Law for contracts required to be competitively bid. Although the Agency as a separate entity does not have to comply with the Ordinance, staff's opinion is that goals and set-asides should be voluntarily implemented. Therefore, the 1985 CDBG Budget of \$12,604,957 has been analyzed to determine realistic goals and set-asides. Out of \$1,600,540 anticipated in contract expenditures, the following is suggested: MBE goals, 22%; WBE goals, 5%; MBE set-asides, 10% and WBE set-asides 2%.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-85 BE ADOPTED.

- (b) Resolution No. 72-85 requests authorization to award Site Improvement Contract No. 39R to Homer J. Olsen, Inc. and Magnum Construction Company in the amount of \$832,250 on the basis of the lowest bid received; Western Addition A-2.

Mr. Kernan reported on item (b) as follows. The contract provides for the construction of public improvements adjacent to the Fillmore Commercial Center. The contract was previously bid as Site Improvement Contract No. 39, however, since the only bid received substantially exceeded the design architect's estimate, it was rejected and rebid. Seventeen contractors requested bid documents and three submitted bids. The lowest received was from Homer J. Olsen, Inc. and Magnum Construction Company, a joint

NEW BUSINESS (continued)

venture. Their bid is 7.9% below the design architect's estimate. Staff has reviewed the unit bid prices and considers them reasonable. The initial contractor's W/MBE Declaration forms did not satisfy Agency specified goals, resulting in submission of a revised Joint Venture Agreement increasing the percentage of participation by Magnum, the minority partner. This revised agreement has been found acceptable by the Agency's Legal Department. Tamal Construction Co., the second low bidder, has protested this bid alleging that it was not in compliance with the Agency's W/MBE policies and that too much time had elapsed since the bid opening wherein the apparent low bidder was given time to provide the Agency with an adequate affirmative action program. Tamal also claimed their bid provides a 30% participation by minority and woman-owned businesses, which exceeds Agency goals. Homer J. Olsen, Inc. is located in Union City and, although they have not previously performed work for the Agency, they have had considerable experience on a number of public works projects. All responses to inquiries as to the firm's performance were favorable. Magnum Construction Co., located in Oakland, was formed in July 1984 and has not completed any work prior to this venture. Their Affirmative Action and Safety Programs have been reviewed and are satisfactory.

Mr. Dan DeFount, representing Tamal Construction, the second lowest bidder, protested the award of the contract to Homer J. Olsen, Inc. and Magnum Construction Company because at bid opening they were not in compliance with the Agency's affirmative action and equal opportunity policy; furthermore, they were given too much time to comply. Mr. Edward Allison of the law firm of Graham & James, General Counsel for Olsen/Magnum, indicated that through a misunderstanding of Agency requirements with regard to the affirmative action program, Magnum was initially given a 10% interest in the joint venture, however, once it was clarified that at least 15% of the joint venture had to be named in order to give preference to the minority partner, the percentage was increased to 16%. Mr. Lee inquired whether at the time of bidding there was a legal licensed joint venture between Olsen & Magnum and Mr. Allison indicated affirmatively. Mr. Lee further questioned why 16 days, not the required 10, had elapsed before a revised contract which met requirements had been submitted. Agency General Counsel, Leo Borregard, indicated that the fault was on the part of the Agency in that a final decision had been delayed pending legal analysis and the return of Mr. Earl Mills from vacation. Essentially, actions necessary to comply were taken within the specified 10 days by Olsen/Magnum. Mr. Lee expressed concern regarding the possibility of legal action being instigated by the second apparent low bidder and Mr. Borregard indicated that, in his best and considered legal judgment, the Agency had acted properly and was in compliance with the contract documents that were bid.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-85 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 73-85 requests authorization for Helen L. Sause, YBC Project Director, to travel to San Antonio, Texas, to conduct the NAHRO Community Revitalization and Development (CR & D) Meeting and attend the Housing and Development Workshop, March 17-19, 1985.

Mr. Kernan reported on item (c) as follows. Ms. Sause will be attending the workshop in her capacity as National Vice-President of CR & D. With proposed Federal budget cutbacks, a funding crisis is being faced and the CR & D Committee will follow-up on strategy meetings held in January in Washington, D. C. The focus will be on critical issues, including formulation of NAHRO's testimony on CDBG hearings before Congress. She will also moderate the panel "Sharpening the Local Officials' Assessments". The workshop will provide information on more efficient program operations in specific areas, including more effective housing and community and economic development management Cost to the Agency, including airfare, registration, hotel and per diem, will not exceed \$785.

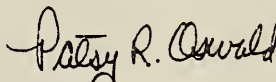
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-85 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54856.9(a). The name of the case is McGuire & Hester vs. San Francisco Redevelopment Agency.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

March 26, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF MARCH 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of March, 1985, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President
Charlotte Berk
Dorman Commons
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Leroy King, President
H. Jesse Arnelle

The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Nicola Smith, Charles Sprincin, Alca Land Corp.; Mary Jane Staymates, Western Addition Neighborhood Association (WANA); John Yearman, Fillmore Merchants Association; Mary Rogers, Western Addition Community, Ocie Mae Rogers, Ray Balberan and Nancy Balberan, interested citizens.

Representing the Press were Gerald Adams, San Francisco Examiner; and Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of February 19, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of February 26, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE ACTING EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Mr. Dorman Commons was sworn in today at 2:15 p.m. by Mayor Feinstein and staff welcomes him to the Commission.

REPORT OF THE ACTING EXECUTIVE DIRECTOR (continued)

- (b) The Planning, Housing and Development Committee of the Board of Supervisors held a hearing today to consider the feasibility of preserving the publicly-owned Jessie Hotel for affordable senior housing. This resolution, introduced by Supervisor Maher, was heard by PH & D with Supervisors Rennie and Silvers in attendance. Supervisor Maher was in attendance for a portion of the meeting. Following a presentation by Agency staff and testimony from the public, it was concluded that the Redevelopment Agency Commission would be requested to consider retention of the hotel for affordable senior housing. A resolution, together with their recommendation, will be before the Board of Supervisors on Monday, March 18.
- (c) The hearing before the Board of Supervisors on the Plan Change for the Western Addition A-1 has been rescheduled from March 25 to April 8.
- (d) It is reported, with deep regret, the death of a friend and co-worker, Zita McDonnell Hughes, on Friday, March 8. Services were held today at St. Dominic's Church and it is suggested that the Agency meeting be adjourned in her memory. A number of current and former Agency staff were in attendance and it was a touching ceremony as Zita was very much loved by people who knew and worked with her.

On behalf of the Commission, Acting President Newman welcomed Mr. Dorman Commons and noted that Mr. Commons would find his service to the Agency rewarding and stimulating.

Mr. Commons indicated that he appreciated the opportunity to serve on the Commission and hoped to be able to make a contribution to the success of the Agency.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of 1957 O'Farrell Street, Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 74-85 requests authorization of the sale of a condominium unit located at 1957 O'Farrell Street in the Western Addition A-2 to Raymond and Nancy Balberan for \$139,000.

Mr. Kernan reported on item (a) as follows. In May 1983 the Commission approved disposition prices and execution of documents for thirty-one units in the first phase of the Affordable Condominium Program. In February 1984 a multiple listing agreement was authorized with Susan Ranney, staff Real Estate Broker, for the remaining unsold eleven units. Prices of several of these units, including the subject unit, were reduced to reflect current market conditions. The Balberans were not in the

NEW BUSINESS (continued)

group of applicants previously approved and became aware of Endicott Court when visiting a recently opened sales office for the Amancio Ergina development located on an adjoining site which enhances the visibility of these units. The Balberans meet the selection criteria of the program and have been approved by First Nationwide Savings to purchase the unit which is one of the six remaining unsold Phase I units owned by the Agency in the Endicott Court Development. Three other applicants are being processed for the other five units and marketing efforts continue.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

Mr. Lee inquired as to community reaction to the price reduction and Earl P. Mills, Acting Senior Deputy Executive Director, indicated that there were buyers for three of the remaining five units and the other two units were expected to sell rapidly.

Mr. Kernan indicated that the units did not have parking and lacked adequate storage facilities which had proved detrimental to the sale of the units at the higher price.

Mr. Commons inquired whether the Agency owned and had constructed these units and if it was Agency policy to rehabilitate buildings. Mr. Kernan indicated that the subject units were existing Victorian buildings, rehabilitated by the Agency because of what was considered a favorable arrangement. Normally it was not Agency policy to do this and in most cases the work would be performed by a developer.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-85 BE ADOPTED.

- (b) Resolution No. 75-85 requests authorization to extend Exclusive Negotiations with Western Commercial Partnership (WCP) for Parcel 725-D located on the east side of Fillmore Street between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In August 1981 an LDA was authorized with Safeway to construct a three-story commercial office building on the subject parcel for sale to the Agency or its designee within thirty days of completion. In February 1985 exclusive negotiations were approved with the developer for acquisition of the office building as the Agency's designee. However, staff requires additional time to devise the appropriate agreements to accomplish the purpose of the resolution. It is expected that a draft agreement, to be referred to WCP and Safeway, will be completed within a very short period of time, followed by presentation to the Commission for consideration by April 16th. This delay has resulted in the requested extension from March 18 to April 24, 1985 and.

NEW BUSINESS (continued)

authorization for the Executive Director to further extend exclusive negotiations for an additional period of thirty days, if necessary.

For the benefit of the newest Commissioner, Mr. Commons, Mr. Kernan outlined the background of the agreement entered into with Safeway to construct a store and an office building. One of the conditions was that Safeway would sell the office building to the Agency or its designee which would begin the revitalization of the Fillmore area. Ms. Rogers inquired as to the total cost of developing the building, the selling price to the WCP, and the selling price to community entrepreneurs, whether the LDA language provided for community participation and if the agreement would be available for review prior to presentation to the Commission. Mr. Kernan indicated that the total development cost would be approximately \$1.4 million, however, final costs were not yet completed. The Agency is presently working with Western Commercial Partnership in devising an agreement containing conditions favoring community and minority participation in ownership and leasing of the office building. There will be a two week notification of a public hearing during which period the agreement will be available to the public for review.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-85 BE ADOPTED.

- (c) Resolution No. 76-85 requests authorization of a Personal Services Contract with Arthur Silvers, Architect, in an amount of \$17,000.
- (d) Resolution No. 77-85 requests authorization of a Personal Services Contract with Rai Okamoto, Architect, in an amount of \$7,500.
- (e) Resolution No. 78-85 requests authorization of a Personal Services Contract with Hideo Sasaki, Landscape Architect, in an amount of \$7,500; all in connection with the Fillmore Center in the Western Addition A-2.

Mr. Kernan reported on items (c), (d), and (e) as follows. In November 1984 an unsolicited proposal for several parcels in the Fillmore Center was submitted by Donald Tishman, Housing Associates, Inc. Following review of this proposal by staff and subject architects, Mr. Tishman and the Commission were advised of major design concerns resulting in recommendations relative to the appropriate density, scale, massing of buildings and open space concept for the Fillmore Center. In response to the Agency insistence upon a better design, Mr. Tishman retained the Bechtel Group as his architect with whom staff and the architects have held continuous discussions. Technical assistance by the three architects has been extremely productive and valuable in developing a new master plan and, although a great deal of

NEW BUSINESS (continued)

progress has been made in achieving an acceptable overall design, their on-going services are needed during the further refinement of the master plan and the schematic and design development phases. The contract amount for Mr. Silvers would include his transportation costs, per diem and lodging costs for approximately ten trips from Sante Fe, New Mexico. During the past months he has made a significant contribution to the development of the master plan and, because of his past involvement, his services are considered essential. In view of the nature of his services, which will be performed in the Agency's office, it is staff's opinion that insurance requirements for Mr. Silvers can be waived. Mr. Okamoto and Mr. Sasaki have the required insurance coverage. The three contracts, based on the hourly rates of each consultant, would not exceed a total amount of \$32,000.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-85 BE ADOPTED.

Ms. Berk noted that the Agency was fortunate that Mr. Silvers' services were available thereby providing continuity of someone who did the original plan and who has a tremendous interest in the area.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 79-85 requests authorization of a Reconveyance Agreement with Alca Land Corp. for Parcel 678-C(2) located at the northwest corner of Fillmore and Sutter Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. An LDA was approved on October 13, 1981 with Alca Land Corp. who proposes to building 12 market-rate residential condominiums. Though financing has been assured, written firm commitment from the lender has not been received. The site permit is to be issued in the next few days with excavation and foundation addendum to follow in about two weeks. Also, the affirmative action requirements are not complete since the contractor has not obtained all of its subcontractors. The absolute conveyance date is tomorrow, March 13, and if not conveyed, the price of the land will expire. The estimated increase in the purchase price could jeopardize the feasibility of the proposed development and significantly delay construction financing and start of construction. To avoid expiration of the price and jeopardizing the entire development, staff proposes to convey the site to the developer pursuant to a Reconveyance Agreement, which will establish April 12 as the outside date for obtaining the site permit with excavation and

MATTERS NOT APPEARING ON AGENDA (continued)

foundation addendum, a firm commitment for construction financing and satisfaction of the Agency's affirmative action requirements. As part of this agreement, the developer is required to execute a recordable grant deed (re-entry deed) and if it appears the developer will fail to meet the April 12 deadline the matter will be calendared to determine if staff should record the re-entry deed and take steps to take possession of the parcel and revest title in the Agency. Because of the short time to record the deed on March 13, authorization is also requested to amend the previously approved Sixth Amendatory Agreement to allow the Deed to be recorded on March 14. The Agency on rare occasions has used this instrument to preserve a land price and then only under very special circumstances when delays have been beyond the control of the developer.

Charles Sprincin, President of Alca Land Corporation; Mary Jane Staymates, Western Addition Neighborhood Association; John Yearman, Fillmore Merchants Association; and Nicola Smith, Alca Land Corporation spoke in support of the extension.

Mary Rogers expressed concern that the land price is held for some developers and not for others.

In reply to Mr. Commons' inquiry, Mr. Sprincin indicated that if the land price is increased the price per unit would increase.

Mr. Lee expressed concern about possible liens on the property and Mr. Borregard indicated a covenant is written into the agreement which prohibits the placing of any liens upon the property and when the Agency receives at the end of the day tomorrow the land sale proceeds of \$213,000 that will be some security against the placing of a lien upon the property as it could be used to discharge any lien upon the property.

In reply to Commissioners' concerns regarding the reason for this last minute request for an extension, Mr. Kernan apologized, but staff had hoped the developer would close escrow and there would not be this need for an extension.

Mr. Mardikian indicated he could understand the problems a developer can face at the Building Permit Department and the delays that could accrue in finalizing the paperwork on the financing, but inquired what exactly is the problem with the affirmative action requirements. Mr. Sprincin indicated he had received a letter from the Agency the other day stating they are in full compliance and they are now waiting for the contractor to sign a letter after which they will have met the affirmative action requirement of the LDA.

MATTERS NOT APPEARING ON AGENDA (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, THAT RESOLUTION NO. 79-85 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk

Mr. Commons

Mr. Mardikian

Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Mr. Lee

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION BE CARRIED.

Ms. Berk, in voting aye on roll call, indicated it would be nice not to have to make weighty decisions on items not seen before or informed about. In reply to Ms. Roger's concern that the land price is held for some developers and not for other, the Alca Land people became involved because the Agency was trying to preserve the community based group that was originally developing the site, but who had been unsuccessful until an LDA was authorized in 1981 with Alca Land Co.

Mr. Commons, in voting aye on roll call, noted he was troubled by this kind of issue coming before the Commission with no forewarning and no opportunity to look at it and indicated staff should devise a method of making sure the Commissioners are given more than half an hour notice when faced with this kind of problem.

Mr. Lee, in voting no on roll call, indicated his reason in this case is that it is not fair for the Commission to have to make a decision on a last minute item and noted the Commission has to take a stronger stand in any future projects similar to this one as they have been too lenient, giving extensions too freely.

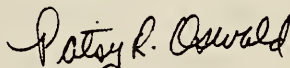
Acting President Newman, in voting aye on roll call, indicated he looked upon this as an emergency situation and it is unfortunate that it has happened twice before. On the other hand, he believed the Sprincin group has delivered and they have evidenced their ability and integrity by building two excellent projects.

Acting President Newman indicated that at the request of Agency Counsel there will be a closed session on the subject of litigation pursuant to Government Code, Section 54956.9(a). The name of the cases are first McGuire & Hester vs. San Francisco Redevelopment Agency and the second is Fontana vs. Redevelopment Agency of the City and County of San Francisco et al.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned in memory of Zita McDonnell Hughes and to a closed session on litigation. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

April 16, 1985

85

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MARCH 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of March, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelie
Charlotte Berk
Dorman Commons
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

APR 17 1985

and the following were absent:

SAN FRANCISCO
PUBLIC LIBRARY

None

The President declared a quorum and noted that all Commissioners were present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Dix Boring, Urban Land Co.; Robert Herman, Sunwright; Ocie Mae Rogers, Mary Rogers and David Jenkins, interested citizens.

Representing the press, Jim Kelly, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kerran, reported to the Commissioners on the following matters:

- (a) The Board of Supervisors yesterday passed on Supervisor Maher's resolution that urges the Redevelopment Agency to assure the rehabilitation and preservation of the Jessie Hotel for residential uses. An amendment was added that in the event that after formal solicitation and proposals for development it is found to be financially infeasible in combination with the financial requirements for land sale proceeds that the Redevelopment Agency be urged to provide for production of affordable housing by the developer at another location consistent with the provisions of the OHPP and also preserve the architecturally significant Jessie Hotel in a manner consistent with the downtown plan. The resolution was opposed by the Acting Executive Director, but with little effect. A discussion was

REPORT OF THE EXECUTIVE DIRECTOR (continued)

held with Supervisor Maher before the meeting and it was requested the matter be re-referred to Committee for further analysis and investigation of the problems created in the development of that site by the resolution and also the provision that, if the hotel was unable to be saved within the financial requirements of the site, there would be a contribution or creation of affordable housing at another location consistent with OHPP. It was argued that it is unfair to look at the Agency's program on a parcel by parcel basis divorced from consideration of the entire project. In addition it was pointed out that there were sites the Agency has devoted exclusively to housing which could have been office sites where it was felt that housing was appropriate. It will be recalled that in the Yerba Buena Gardens presentation, which was really a presentation of the financial plan for YBC, it was indicated that the Agency was committing itself to developing a five million dollar housing fund. It is conceivable these funds could be considered as a contribution to that if they were required, but whether or not the Agency could make funds available for another purpose when the entire land sales are pledged to the Bank of America is an unknown legal question and time was requested for that analysis. Supervisor Silver posed several questions and concluded that since the resolution was only "urging" the Agency, if difficulties were encountered the the Agency could return to the Board with those problems. There appears to be a misunderstanding of the Agency's programs in that there seemed to be an impression of non-compliance with current City programs, not all of which have been adopted but are under substantial discussion. There are many issues involved in this resolution, however, it did pass over staff's objections. It is believed the matter can be analyzed further, resulting in a staff recommendation to the Commission which will assist in discussions with the Supervisors.

- (b) The City Planning Commission will be reviewing the A-1 Plan Amendment at their meeting March 21 at 1:30. The full Board will take this item up at a Public Hearing on April 8 at 3 p.m.
- (c) A Public Hearing on needs for the 1986 Community Development Program will be held March 28 at 7:00 p.m. at City Hall.

NEW BUSINESS

- (a) Resolution No. 80-85 requests authorization of a Rental Agreement with Urban Land Company for approximately six months for the use of Parcel 686-H(1) located on Hemlock Street, bounded by Laguna, Buchanan, Post and Sutter Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Mr. Theodore Lee, President of Urban Land Company, is the developer of a five-unit condominium project to be constructed at 1737 Sutter Street. He wishes to rent a portion of the parcel behind the project for a trailer and storage of materials and equipment. This tenancy

NEW BUSINESS (continued)

will be on a month-to-month basis at \$100 per month. This interim use is in conformity with Agency policy. The developer will fence off the area to be utilized, abate any dust problems that may arise and obtain the required property damage and liability insurance.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-85 BE ADOPTED.

- (b) Resolution No. 81-85 requests authorization of a Second Amendatory Agreement, extending the Performance Schedule by approximately sixty days, to the LDA with John, James, John C. O'Neill and Michael O'Neill, Trustee for Karen M. O'Neill, for Parcel 1126-C located at the southeast corner of Ellis and Broderick Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In February 1984 an LDA was authorized with the developers who propose to construct six market-rate condominiums comprised of two bedroom, two bath units at a selling price of \$114,000. Minor design changes delayed the issuance of a building permit, resulting in a First Amendatory Agreement being approved in December 1984. The building permit has now been issued, however, according to the lender, Eureka Federal Savings and Loan, a minimum of thirty days is needed before the construction loan, which must precede conveyance, can be closed. The revised Performance Schedule would extend the Conveyance of the Site from March 20 to May 23, 1985 and Start of Construction from April 17, to June 22, 1985.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-85 BE ADOPTED.

- (c) Resolution No. 82-85 requests authorization of exclusive negotiations, until July 17, 1985, with Sunwrights International, Inc., a Canadian Corporation, for the building located at 1622 Laguna Street in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. The developer proposes to rehabilitate this two-story Victorian that was constructed in 1875 as a single family home. This building was one of the eight Agency-owned properties offered under Rehabilitation Offering No. 24. Last December at a public opening of responses, none were received from Certificate Holders and thirteen from Non-Certificate Holders. The highest response from Mr. Nien Chu was subsequently withdrawn since he did not have the financial capacity to undertake the development. The Association for Retarded Citizens, the second highest respondent, also withdrew its response due to failure to qualify for the adjacent property at 1696-97 Sutter. The Association needs both properties and responded accordingly. Based upon the selection criteria established in the Offering, it was determined that the offer by Sunwrights is the next highest qualified response.

NEW BUSINESS (continued)

Satisfactory evidence of financial capacity to undertake the project has been provided. The Performance Schedule calls for submission of schematic architectural drawings by May 15, 1985.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-85 BE ADOPTED.

Mr. Kernan noted that Mr. Jonathan Cloud is the President of Sunwrights International, a solar research design and construction company located in Canada. Mr. Cloud is the son of Mrs. Hilda Cloud who recently passed away and was active for many years in Agency affairs.

- (d) Resolution No. 83-85 requests authorization of exclusive negotiations, until June 19, 1985, with Robert and Linda Evans and John Dearman for the building located at 1905-1907 O'Farrell Street in the Western Addition A-2.

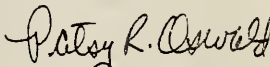
Mr. Kernan reported on item (d) as follows. The developers propose to rehabilitate this two-story Victorian building that was constructed in 1895 as two residential flats. Mr. Evans has resided in one of the units since 1973 and his family has a long history of ownership and occupancy of the building. It had been intended to offer this building publicly under Rehabilitation Offering No. 24 in October 1984 and it was included in that list of properties. However, at that time the Commission, in concurrence with a recommendation from staff, approved an opportunity for exclusive negotiations with Mr. Robert Evans, Jr., an A-2 Certificate Holder, and his brother Mr. John Dearman, presently a San Francisco Superior Court judge. Satisfactory evidence of financial capacity to undertake the project has been provided. It is proposed that the Evans' will hold 51% and Mr. Dearman 49% interest.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-85 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that one minute of silence be held for Mr. John Crowley, Secretary-Treasurer of the San Francisco Labor Council who recently passed away and that the meeting be adjourned in his memory. The meeting adjourned at 4:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

April 2, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF MARCH 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of March, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnette
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

and the following was absent:

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present was John Igoe, Lincoln Properties.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 5, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On March 29 there will be a farewell luncheon for Harold Bell, Deputy Executive Director, Finance and Administration, who is leaving the Agency for a job in Southern California.
- (b) On March 30, 31 and April 1, a group of students from the University of California's College of Environmental Design in Berkeley and guest architects from all over the United States will share in an intensive charette of the Fillmore Commercial Center. A charette is generally a non-stop intensive

REPORT OF THE EXECUTIVE DIRECTOR (continued)

"brainstorming" study of a particular place. Individual invitations are being sent to the Commissioners. Western Addition A-2 staff will be attending and providing information to the students.

NEW BUSINESS

- (a) Resolution No. 84-85 requests authorization to engage James H. Barry Company - Printers, to reproduce the 1985 edition of the San Francisco Redevelopment Program in an amount not to exceed \$10,582.91.

Mr. Kernan reported on item (a) as follows. The James H. Barry Co. was the lowest responsible estimate of three local printers solicited. This annual publication, commonly known as the Fact Book, describes the current status of all redevelopment programs and is considered a forceful document externally and is a valuable document used internally for reference purposes.

Commissioner Berk indicated that she found the Fact Book to be extremely useful and a well produced publication.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-85 BE ADOPTED.

- (b) Resolution No. 85-85 requests authorization of a First Amendment to the Agreement for Professional Services with Mason Tillman Associates increasing the contract amount by \$2,000 and extending the time of completion by 50 days, Rincon Point/South Beach.

Mr. Kernan reported on item (b) as follows. In December 1984 a contract was authorized to provide an Oral History Report which was a mitigation measure emanating from the initial Environmental Impact Statement. After commencement of work on the report a mutual misunderstanding emerged in that the Consultant was under the impression that all documentary research was to be provided by the Agency's Archival Consultant, whereas Staff was of the opinion that Mason Tillman was to perform this research work as part of the contract. Subsequent negotiations have resolved this misunderstanding to the mutual satisfaction of the Agency and the Consultant, resulting in the proposed amendment which increases the total contract amount to \$23,047 and extends the time of completion to May 30, 1985.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-85 BE ADOPTED.

- (c) Resolution No. 86-85 requests authorization of a Fourth Amendatory Agreement to the LDA with St. Francis Place permitting office use and issuance of Certificates of Partial Completion for Parcel 3750-A on the southeast corner of Third and Folsom Streets, Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (c) as follows. St. Francis Place is a 412 unit residential project which includes 80 low- to moderate-income units. The LDA allows up to 45,000 square feet of attendant commercial retail use in a 2-story structure fronting on Third Street. This amendment will provide for modification of the uses permitted to include office on the second level. The developer has experienced difficulty in leasing the 11,270 square feet of retail space on the second level. Information verifying efforts to lease this space has been provided confirming that it is unattractive for retail use. The original intention was to provide active use at street level and it is staff's opinion that this would not be affected by permitting office use at the second level. However, failure to lease this space could reduce revenues and jeopardize the financial performance of this important residential project. This amendment also permits issuance of Certificates of Partial Completion which would permit occupancy of the residential towers, and the retail and office space as they are completed. This process has been used on other projects in the past. Occupancy of retail and residential units would be a benefit to the Agency and the Developer to achieve needed housing and activate the area as soon as possible.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-85 BE ADOPTED.

- (d) Resolution No. 87-85 requests authorization of a Third Amendment extending the Rental Agreement by 90 days with Interstate Parking Company for use of the parcel located on the south side of Folsom Street between Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item (d) as follows. In December 1984 an interim restructuring of the rental agreement was approved by which arrangement Interstate could continue operation of the parking lot and, at the same time, make payments to the Agency to reduce a rent arrearage of \$14,309. This accrued rent arrearage was caused when Interstate was forced to vacate the lot during the Democratic Convention in June 1984 which resulted in loss of regular patrons. This interim arrangement is on the basis of monthly gross revenue allocated 80% to the Agency, 15% for parking tax and 5% to Interstate for operating expenses and profit with the receipts being reviewed each month by the Agency. It had initially been of concern that this would not be a profitable venture, however, the review has revealed an increase each month, mainly due to concerted marketing efforts by Mr. Jefferson, President of Interstate, to regain former patrons and attract new customers. The proposed amendment would extend the rental agreement, in the same form as previously approved, from April 1 to July 1, 1985, after which the matter will be brought before the Commission for further consideration.

NEW BUSINESS (continued)

Mr. Commons expressed concern about the delinquent rental payments and Mr. Kernan indicated the approach he just described is a method the Agency is using to pay down the original arrearage and bring the tenant up to date.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-85 BE ADOPTED.

- (e) Resolution No. 88-85 requests authorization to award a Rehabilitation Contract for 105 Third Street to Tien Kung Construction Company, on basis of lowest bid received, in an amount of \$59,517, Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. The contract provides for the rehabilitation of a portion of the ground floor of the Williams Building which is to be used as a temporary location for Jerry and Johnny's. The relocation of Jerry and Johnny's is necessary to allow for the demolition of 81 Third Street which, together with 71-77 Third Street, is expected to occur within the next three months. Two bids were submitted with the lowest bid from Tien Kung Construction. Though the bid is lower than staff's estimate of \$60,000, it is apparently a good and reasonable bid for the work. The firm's Affirmative Action and Safety Programs are considered to be satisfactory.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-85 BE ADOPTED.

- (f) Resolution No. 89-85 requests authorization of travel costs, not to exceed \$2,400, to San Francisco for Mr. Ralph Rapson, Minnesota, and Mr. John Harkness, Massachusetts, applicants for the position of Design Panel Member, Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. A panel of well known designers were retained to assist the Commission and staff in reviewing the conceptual design for the buildings in the Yerba Buena Gardens project. Since the major buildings are proceeding into more detailed architectural design, the services of an additional architect with extensive experience on major structures is very important. After extensive investigation, the two subject architects were located and their services are available. Mr. Rapson recently retired as Dean of the School of Architecture at the University of Minnesota and Mr. Harkness recently retired from his position as a Principal and also Chairman of the Board of Principals of the Architects Collaborative. Both gentlemen have impressive backgrounds and their resumes have been passed to the Commission for consideration.

Mr. Newman expressed concern that, although Messrs. Rapson and Harkness have excellent reputations, there is a possibility that they have not had significant experience on major highrise buildings. Mr. Kernan indicated that the two gentlemen had been

NEW BUSINESS (continued)

selected from a list provided by design advisors and they appeared to be the best qualified of those who are available. It was desired to fill the position as soon as possible, however, the matter could be held over for a week to allow time to further investigate the qualifications of Messrs. Rapson and Harkness and also consider other applicants. Upon Mr. Mardikian's suggestion, it was agreed that applicants for the position of Design Panel Member, Yerba Buena Center, be interviewed by President King and Vice-President Newman, as well as by staff.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (f) would be continued for one week. There being no objection, it was so ordered.

- (g) Resolution No. 90-85 requests authorization of a Letter Agreement with the San Francisco Housing Authority for the services of Mr. Wilbur Hamilton, Agency Executive Director.
- (h) Resolution No. 91-85 requests authorization of a Letter Agreement with the San Francisco Housing Authority for the services of Ms. Estelle Crawford, Agency Executive Secretary II.

Mr. Kernan reported on items (g) and (h) as follows. In February 1985 authorization was given for Mr. Hamilton to accept a temporary appointment as Acting Executive Director of the Housing Authority, effective March 4, 1985, for a period not to exceed six months and for Ms. Crawford to provide secretarial support for the same period of time. The Letter Agreements will enable Mr. Hamilton and Ms. Crawford to maintain their status as Agency employees during this tenure at the Housing Authority. The Agency will also be indemnified by the Housing Authority for any liability incurred as a result of their services. Total salary and fringe benefits are estimated not to exceed \$54,050 for Mr. Hamilton and \$19,914 for Ms. Crawford for which the Agency will be fully reimbursed by the Housing Authority. The Letter Agreements have been approved by the Housing Authority Commission.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-85 BE ADOPTED.

- (i) Resolution No. 92-85 commends and expresses appreciation to Lucille Sarafian upon the occasion of her retirement from the Redevelopment Agency.

At this time Ms. Oswald, Agency Secretary, read the resolution into the record and President King, on behalf of the Commission, thanked Ms. Sarafian for her many years of service and conveyed best wishes for the future.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-85 BE ADOPTED.

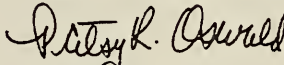
MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Commons referred to a report he had received from Deloitte, Haskins and Sells on a management review of the Agency. The Commissioners discussed the next steps to be taken regarding the review. President King indicated he would meet with the Mayor and her Fiscal Advisory Committee to see what they are doing to find funds for the Agency. It was the consensus of the Commission that President King would contact Peter Henschel, Deputy Mayor, requesting that less than quorum briefings with Commissioners be arranged with the Mayor's Fiscal Advisory Committee. After those briefings, the Commissioners would appoint a committee to work with staff with a public discussion to occur at a future Agency meeting.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

April 16, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF APRIL 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of April, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Marilyn Abend, Grubb & Ellis; Teddy Schley, Duquette Foundation; Noni Richen, Beideman Area Neighborhood Group (BANG); Mary Helen Rogers, Western Addition A-2; Stephen Byers, Michele St. Pierre, Ocie Mae Rogers, Oscar and Barbara Turner, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 19, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On March 29, a farewell luncheon was held in honor of Harold Bell who left the Agency for a job in southern California. Commissioner Berk was in attendance and contributed greatly to the occasion by conveying the loss felt by the Commission and staff brought about by Harold's departure.
- (b) There will not be an Agency meeting next Tuesday, April 9. The next regular meeting will be held on Tuesday, April 16.

UNFINISHED BUSINESS

- (a) Resolution No. 89-85 requests authorization of travel costs, not to exceed \$2,400, to San Francisco for Mr. Ralph Rapson, Minnesota, and Mr. John Harkness, Massachusetts, applicants for the position of Design Panel Member, Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. A panel of well known designers were retained to assist the Commission and staff in reviewing the conceptual design for the buildings in the Yerba Buena Gardens project. Since the major buildings are proceeding into more detailed architectural design, the services of an additional architect with extensive experience on major structures is very important. After extensive investigation, the two subject architects were located and their services are available. Mr. Rapson recently retired as Dean of the School of Architecture at the University of Minnesota and Mr. Harkness recently retired from his position as a Principal and also Chairman of the Board of Principals of The Architects Collaborative. Both gentlemen have impressive backgrounds and their resumes have been made available to the Commission for consideration. This matter was held over from the last meeting to permit the President and Vice-President to meet with staff to review other candidates.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 93-85 requests authorization of an Owner Participation Agreement with Anthony and Elizabeth Duquette for 1839 Geary Boulevard.

Mr. Kernan reported on item (a) as follows. The Duquettes propose to rehabilitate this two-story building, which was constructed in 1905 as a House of Worship, into a non-denominational Church Ecumenical Center. It is intended to restore this facility to reflect its previous stature and heritage. The Center would be available for weekly worship services to any non-profit, ecumenical organization and house an exhibit related to Saint Francis of Assisi in celebration of the City of San Francisco. An amendment to the Western Addition A-1 Plan was authorized in February 1985 to include this property within its boundaries and this proposed amendment will be considered by the Board of Supervisors on April 8th. A provision of this authorization was that an OPA be executed prior to consideration by the Board, otherwise the property would be removed from the Plan Amendment. Although staff has worked diligently with members of the Duquette Foundation to resolve issues, to date a mutually satisfactory agreement has not been reached. Since it appears this cannot be accomplished prior to April 8th, it is proposed to proceed with the A-1 Plan Amendment, which would not include this property within its boundaries.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (a) would be tabled at staff request. There being no objection it was so ordered.

- (b) Resolution No. 94-85 requests authorization of exclusive negotiations, until July 17, 1985, with Oscar and Barbara Turner for the building located at 1915 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. The developers propose to rehabilitate this two-story Victorian building constructed in 1876 for residential development. The building was one of the eight Agency-owned properties offered under Rehabilitation Offering No. 24. Last December, at the public opening of responses, one was received from a Certificate Holder, the American Muslim Mission Center, and eleven from non-certificate holders. The American Muslim Mission Center subsequently withdrew its response indicating that it had been determined this property was not suitable for the needs of the organization. Based on the selection criteria established in the Offering, it was determined that the offer by the Turners is the next highest qualified response. Satisfactory evidence of financial capacity to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-85 BE ADOPTED.

- (c) Resolution No. 95-85 requests authorization to extend Conveyance of Site to April 16, 1985, in the LDA with Stephen Byers and Katherine Groody for the building located at 1335 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. In June 1984 an LDA was authorized with the developers to rehabilitate this two-story Victorian building. All pre-conveyance requirements of the LDA have been complied with except for submission of evidence of satisfactory mortgage financing. An after rehabilitation appraisal was completed on March 26th to the satisfaction of Continental Savings & Loan from whom a loan commitment has been secured. However, Continental has indicated an additional two weeks are required to prepare the loan closing documents and therefore the scheduled conveyance date of March 26, 1985 was not met.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-85 BE ADOPTED.

- (d) Resolution No. 96-85 requests authorization of exclusive negotiations until July 3, 1985, with Barry O'Sullivan and Michael O'Mahony for Parcel 1100-A located on the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (d) as follows. The developers propose to construct ten residential condominiums, comprised of a mix of townhouses and flats, all two bedroom, two bath. Satisfactory evidence of experience and financial capacity to undertake the project has been provided. A subsequent proposal has been submitted by the Family Service Agency of San Francisco to relocate its Child Abuse Program to a building it would construct on this site. The Child Abuse Program is, of course, considered of great importance to the City. However, in view of the Agency's high priority for sale of land for affordable housing, it appears the proposal from Messrs. O'Sullivan and O'Mahony is the most appropriate.

Ms. Noni Richen, Beideman Area Neighborhood Group, indicated their group had not yet voted on the plans, but were happy this development will be residential instead of institutional. She noted that the entry on O'Farrell deserved better than a garage door and also inquired about fire escapes. Mr. Kernan replied that this is the garage area for the complex and therefore it might be difficult to achieve the objective of doorways in that location. Fire escapes would not be located in that area since there is a second means of egress.

Ms. Mary Rogers inquired about the availability of the site for institutional uses, such as PINC and the Family Service Agency (FSA) and Mr. Kernan indicated that the Agency is working with PINC on another site and that the needs of FSA would be under-utilization of the site, plus they do not have the financial ability to proceed.

Mr. Commons inquired what staff's rationale was for residential being a more appropriate use than institutional and Mr. Kernan indicated that the area around the site is largely residential, FSA would have under-utilized the site and their proposal came in after the Agency was under negotiations with the subject developer for housing. Mr. Commons inquired if it is Agency policy to negotiate parcels under 10,000 square feet and Mr. Kernan indicated that this is not a specific Agency general policy, however, in this instance twelve small parcels had been identified in the Western Addition which were considered not to warrant the document preparation involved in competitive offerings. In addition, it afforded an opportunity for smaller community-based developers to negotiate for these sites in a non-competitive situation. The developers in this case are not community-based, however, no one else with the capacity to develop the site has come forward.

Mr. Lee inquired what was meant by "no one else has come forward" and Mr. Byron Rhett indicated staff had negotiated informally with others, but those deals fell through.

Mr. Mardikian requested a staff report on the status of PINC, as well as FSA, as this Commission felt strongly about selling suitable sites for child abuse centers.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-85 BE ADOPTED.

- (e) Resolution No. 97-85 requests authorization of exclusive negotiations for 90 days with Jack Robbins for Parcel 780-E located on the west side of Webster between Fulton and McAllister Streets and Parcel 1102-A located on the west side of Broderick between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. The developer proposes to construct three market-rate condominiums on one parcel and two units on the other. Mr. Robbins is a San Francisco based architect/developer with experience in similar sized development and has the financial capacity to undertake both developments.

Mr. Commons indicated he would like to see in A-1 and A-2 whether the Agency has looked at the needs of civic organizations that should be functioning in those areas and if the Agency should be making space in the future by setting property aside for that purpose. Mr. Kernan indicated though there is no plan per se for institutions, numerous sites have been for institutional uses such as the Korean Service Center, Liberation House, Nihonmachi, the Kimochi.

President King requested that be put in writing along with the status report on PINC and FSA requested by Mr. Mardikian.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-85 BE ADOPTED.

- (f) Resolution No. 98-85 requests authorization of a South Beach Harbor Marketing Program Personal Services Contract with Michele St. Pierre in an amount of \$110,000, Rincon Point-South Beach.

Mr. Kernan reported on item (f) as follows. Construction commenced on the first phase of South Beach Harbor in December 1984 and completion is expected in the late summer of 1986. This phase consists of removal of three piers, the construction of a breakwater, 700 berths and temporary parking and landscaping for which \$26,230,000 has been borrowed. It is essential that the boat berths be rented as soon as possible after completion since income is needed to pay for the operations of the harbor and secure long-term borrowing to be used to refinance \$18,630,000 in three year convertible notes. Although assurances have been received from marketing consultants that there will be a strong demand for berths in the South Beach Harbor due to its desirable location and quality of design, berth rates will be relatively high and a temporary surplus of boat berths presently exists in the Bay Area. A two phase marketing program is suggested whereby during the first phase the demand can be tested to determine if more aggressive marketing efforts will be required during the second phase as the harbor nears completion. If the market is

NEW BUSINESS (continued)

responsive to Phase I efforts, a moderate level of Phase II marketing efforts would be appropriate. This would culminate in a major celebration and marketing efforts to mark the opening of the harbor. Should Phase I not yield positive results, there would be a reassessment of the Phase II marketing program. Several firms and individuals were interviewed for the purpose of selecting a Marketing Manager and Ms. St. Pierre is considered the best qualified. She currently consults with P.G. & E. on Energy Management Marketing and previously managed the direct mail department and institutional advertising of Bon Marche Stores in Seattle. Ms. St. Pierre has collaborated with the design firm of Compendium, Inc., which is WBE, and intends to draw heavily on their services in the performance of her contract with the Agency. The contract covers both phases of the marketing program and funds are within the \$180,000 budget previously approved.

Mr. Newman noted his concern about authorizing \$100,000 for this marketing program and inquired why they couldn't run ads in a newspaper instead and Mr. Kernan explained the program and indicated it could be tailored to fit the Agency's needs as activities move along. It may be found that the total amount will not need to be used.

Mr. Commons indicated he would abstain from voting on this matter as he would be briefed on Rincon Point-South Beach on Thursday and then would have a better understanding of the project.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-85 BE ADOPTED.

- (g) Resolution No. 99-85 requests authorization of a Third Amendatory Agreement, extending the conveyance date to June 5, 1985, to the LDA with Daniel Hickey for the parcel located on the south side of Fairfax between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Kernan reported on item (g) as follows. Mr. and Mrs. Hickey and Frederick Siegel, owners of Minute Men Press, Inc., propose to construct two buildings containing offices, printing and related shipping facilities, including parking and landscaped areas. The corporation will ultimately be the sole occupant of both buildings. In 1983 two LDA's were authorized with the developer for Parcels I-2 and I-3 with subsequent amendatory agreements being approved to accommodate the UDAG process which was being explored, however, the developer later decided to terminate his application for UDAG. Parcel I-2 was conveyed in January 1985 and construction has commenced. A second amendatory agreement was approved in January 1985, extending the conveyance date to April 4, 1985, for Parcel I-3 to allow time for a building permit to be obtained and this still remains the only prerequisite to conveyance. However, since this is a process beyond the control of Mr. Hickey or the Agency, there is no guarantee it will be forthcoming before April 4th which is also

NEW BUSINESS (continued)

the date when, in accordance with Agency practice, the land must be reappraised. The developer has been so advised and appropriate language inserted in the proposed Third Amendatory Agreement.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-85 BE ADOPTED.

- (h) Resolution No. 100-85 requests authorization to negotiate sales for housing and related development of Parcels DD-2, EE-1, EE-2, EE-3, FF-2, S-6, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10 and Z-13 in Hunters Point.

Mr. Kernan reported on item (h) as follows. The subject parcels represent all uncommitted land within the Hunters Point Project Area, some of which had been committed to developers who were not able to go forward with their proposed programs. Others were part of offerings for which there were no acceptable buyers and others still have not been marketed. Details of the current status of the various parcels involved have been provided. Although the market in Hunters Point is improving, the area is still considered risky by developers and it therefore appears that an offering is not warranted at this time. Direct negotiations facilitate the Agency's desire to seek more minority participation and this procedure has proven to be successful in the India Basin where there is an employment objective of twenty jobs per acre. Upon approval to negotiate sales of subject parcels they will be actively marketed and interested, qualified developers invited to submit proposals which would then be brought before the Commission for consideration.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-85 BE ADOPTED.

- (i) Resolution No. 101-85 requests authorization of a Records Storage Agreement with Datasafe.

Mr. Kernan reported on item (i) as follows. Although the Agency presently microfilms and destroys many of its paper records, others must be retained for a certain period of time. Since on-site storage is lacking, an outside facility is needed to store these records. Other than Bekins, Datasafe is the only major records storage company in San Francisco offering services required and their rates are approximately 25% less than Bekins. Responses to three reference checks with Datasafe clients were favorable. During a transitional period both companies will be used with new storage going to Datasafe with a gradual transfer or destruction of those files remaining in storage at Bekins. Current annual storage costs are budgeted at less than \$12,000 and an increase in costs is not anticipated due to this new agreement which will remain in effect until further notice.

NEW BUSINESS (continued)

Mr. Lee inquired how much space is rented and Mr. Nybakken indicated it is not rented by space but by box. There are also rolls and plans stored there. Mr. Lee suggested investigating microfilming of plans for more efficiency and cost savings.

Ms. Berk asked what the legal requirements are for keeping records and Mr. Leo Borregard, Agency General Counsel, indicated it varies with each governmental agency.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-85 BE ADOPTED.

- (j) Resolution No. 102-85 requests authorization of an Amendment to the contract with Eaglin Security Patrol revising liability insurance requirements to a \$1 million combined single limit for bodily injury or death and property damage.

Mr. Kernan reported on item (j) as follows. In February 1985 a contract was approved with Eaglin Security for "as needed" security services. It now appears that the total annual compensation will not exceed much more than half the \$8,000 maximum authorized. The Agency's standard liability insurance requirements are for comprehensive general liability insurance in the amounts of \$1 million each for bodily injury or death and property damage, however, Mr. Eaglin was mistakenly under the impression that the requirements were for a combined single limit for both coverages. Consequently, he secured a quote of \$1,900 to add the extra coverage he understood was required to comply with standard requirements and, given the small size of the contract, will be unable to justify the additional expense for the insurance. After analysis of coverage in terms of risk to the Agency, it has been determined that adequate protection will be provided by revising the liability insurance requirements to a \$1 million combined single limit.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-85 BE ADOPTED.

- (k) Resolution No. 103-85 requests authorization of payment to Oliver Bros. Glass Co., in an amount of \$2,438.85 in connection with relocation of Hunters Point/India Basin staff to Central Office.

Mr. Kernan reported on item (k) as follows. In December 1984 the Commission was advised of this intended move, designed to further consolidate office operations which will result in significant savings. The physical move of furniture and supplies can be accomplished by the Agency's property management crew thus further reducing costs. The additional expense that will be incurred by telephone changes is estimated to be well under \$1,000 and can therefore be paid for by the Agency through a normal purchase order authority. Relatively minor building alterations are necessary to accommodate the additional staff in Central Office and the proposed changes have been kept to a

NEW BUSINESS (continued)

minimum, with the reconstruction of a private office on the 4th floor being the only major alteration. Bids for this work were obtained from two construction companies with the low bidder being Oliver Bros. Glass Co., a minority-owned business enterprise.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-85 BE ADOPTED.

- (1) Resolution No. 104-85 requests authorization of insurance coverage through Levinson Bros., from April 15, 1985 until February 14, 1986 at a cost of \$68,600 on certain Agency-owned buildings in the Western Addition A-2, Yerba Buena Center and Rincon Point-South Beach.

Mr. Kernan reported on item (1) as follows. In January 1985 notification was received from the insurer of 32 Agency-owned buildings that coverage would be terminated. This resulted in authorization to secure interim insurance coverage for 60 days through Levinson Bros. This allowed time for review of the insurable values of the buildings and conclude whether they were over or under valued. This concern arose from a dramatic increase in premium that was received in the re-bidding of the policy and a desire to minimize the total cost of the insurance. After review of the insurable values of the subject buildings, it has been concluded that twelve of these buildings can be dropped from the policy. One of which is the Palmisano building at 211 Brannan Street which was recently acquired, however, staff's analysis concluded insurance coverage was not necessary. This reduced the cost of insurance from \$76,800 to \$68,600. As noted in the memorandum to the Commissioners, in view of the complexity of insurance coverages, the services of a consultant would be beneficial in determining appropriate insurance values and to assist in a review of the overall risk management policies. A recommendation concerning this will be brought before the Commission in the near future.

Mr. Commons suggested that the insurance be continued for another 90 days during which time the Agency can go through the risk management search to make sure of what is wanted. Mr. James Nybakken, Personnel Officer, explained the hazards of doing that in this volatile insurance market.

Mr. Kernan suggested that if the insurance cannot be obtained for the shorter period of time without change in either premium rates or terms of insurance that staff be authorized to enter into the coverage for the ten month period. Mr. Commons indicated he accepted that as a reasonable compromise.

Mr. Newman noted that he would abstain from voting on this item, due to a potential conflict.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-85 BE ADOPTED, AS AMENDED.

- (m) Resolution No. 105-85 requests authorization of a Consultant Contract with Harold Bell in an amount not to exceed \$15,000, effective April 1, 1985.

Mr. Kernar reported on item (m) as follows. Although Mr. Bell has resigned from the Agency as Deputy Executive Director for Finance and Administration, it is anticipated his advice and assistance will be needed during the next few months in connection with the 1986 budget programming. The proposed contract provides for his services on an "as needed" basis at the same hourly rate he will be receiving in his new position with travel expenses being reimbursed in accordance with Agency policy for staff travel.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-85 BE ADOPTED.

- (n) Resolution No. 106-85 commends Harold E. Bell on the occasion of his departure from the Agency.

At this time Ms. Berk read Resolution No. 106-85 which was commending and expressing appreciation to Harold E. Bell for his service upon the occasion of his resignation from the office of Deputy Executive Director, Finance and Administration of the Redevelopment Agency of the City and County of San Francisco.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:25 p.m.

At this time the closed session adjourned back to a regular meeting, 5:40 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 107-85 requests authorization to amend Resolution No. 159-84 to delete the classification of Deputy Executive Director, Finance and Administration, and to add the classification of Deputy Executive Director, Finance. .

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-85 BE ADOPTED.

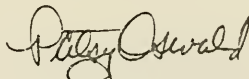
MATTERS NOT APPEARING ON AGENDA (continued)

- (b) MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT LARRY WRIGHT BE APPOINTED ACTING DEPUTY EXECUTIVE DIRECTOR, FINANCE, AND ALSO AS ACTING DEPUTY EXECUTIVE DIRECTOR, FINANCE AND ADMINISTRATION, FOR THE SOLE PURPOSE OF ACTING AS TRUSTEE IN REGARD TO THE AGENCY'S \$104,500 SINGLE FAMILY MORTGAGE REVENUE BONDS, 1983 ISSUE A, HUNTERS POINT PROJECT.
- (c) President King updated the Commissioners on the matter of the Mayor's Fiscal Advisory Committee and noted that the Mayor had indicated the FAC needed to look for a way to fund the Agency; a full report could be done later; and that the FAC would meet with the Commissioners. The Commissioners then discussed the next steps to be taken regarding the review by Deloitte, Haskins and Sells.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Patsy Oswald
Secretary

APPROVED

April 23, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF APRIL 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of April, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS

and the following was absent:

H. Jesse Arnette

JUN 12 1985

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were James San Jule, Fillmore Associates, Inc.; Gary Roberts, Lloyd Gowen, Hal Womack, Aaron Rosen, Shinji Dote, Jim K. Kim, Steven F. Burrall, M.D., Allan Saffron, San Francisco Go Club; George Gearey, Robert E. Hunter, Attorney, Caledonian Club of San Francisco; Nicola Smith, T.B.C.; Dexter Woods, Juneteenth Festival; Vincent Tai, Tai Associates/Architects; David Levinson, Levinson Bros., Inc.; Mary Jane Staymates, Western Addition Neighborhood Association (WANA); Wilbur W. Hamilton, San Francisco Housing Authority; Jay Mansini, Rincon Center Associates; Irwin Sherevick; U.S. Post Office; Scott Johnson, Architect; and J. McCann, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; and Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 13, 1984, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 12, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 26, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On April 15, the Board of Supervisors passed with a 9-2 vote in favor of the Western Addition A-1 Plan Amendment. On roll call, Supervisor Silver introduced a resolution that requests the Planning Department study, together with the Redevelopment Agency, the appropriate heights, densities and other requirements of the Planning Department for Redevelopment Agency properties in the Western Addition. The resolution further requests that the Redevelopment Agency consider the imposition of a height limit of 65 feet, an FAR of 3.6 and a requirement of 50% affordable housing for the development of the property covered in A-1 Plan Amendment. This resolution was referred to Committee by President Molinari.
- (b) A communication has been received from Earl Mills, Acting Senior Deputy Executive Director, that he is purchasing a personal residence at 4 Richards Circle in the La Salle Heights II development in Hunters Point. Under the California Health and Safety Code, certain employees are prohibited from acquiring financial interest in property in a redevelopment project unless it is for a personal residential use once the improvements are certified to be complete and a written disclosure is made to the Agency and the City and that this notice is read into the Minutes of the Agency. Though there is an SB-99 bond issue on this development, Mr. Mills is precluded from using it and has found private financing independent of any involvement by the Agency.

NEW BUSINESS

- (a) Resolution No. 108-85 requests authorization to extend exclusive negotiations, until July 17, 1985, with Fillmore Associates for Parcel 726-A located on the southwest corner of Fillmore and O'Farrell Streets in the Western Addition A-2.
- (b) Resolution No. 109-85 requests authorization of a Seventh Amendatory Agreement to extend the performance schedule by approximately ninety days to the LDA with Third Baptist Church of San Francisco, Inc. for Parcel 750-A located on the block bounded by Eddy, Fillmore, Steiner and Turk Streets in the Western Addition A-2.

Mr. Kernan reported on items (a) and (b) as follows. In December 1983 exclusive negotiations were authorized with Fillmore Associates for development of 164 market-rate condominiums with ground floor commercial space. In May 1982 an LDA was authorized with the Third Baptist Church for a commercial/office building, school and sanctuary. In September 1984, Donald Tishman submitted an unsolicited proposal for development of the Fillmore Center. The mixed-use development would encompass both subject parcels, as well as most of the vacant Agency-owned land in the Fillmore Center area. In February 1985, an extension of

NEW BUSINESS (continued)

exclusive negotiations with Fillmore Associates and an extension to the performance schedule of the LDA with Third Baptist Church were approved while the Tishman proposal was being reviewed and, since this proposal is still under review, these further extensions are now being requested. Both developers have entered into preliminary agreements with Donald Tishman to act as co-developers in the Fillmore Center venture and in that regard a portion of the institutional uses proposed by the Church will be included in the overall development. The developers have also agreed to relinquish their rights prior to Agency action, should the Tishman proposal be approved.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-85 BE ADOPTED.

Mr. Mardikian requested copies of the agreements between Fillmore Associates, Third Baptist Church and Mr. Donald Tishman. Mr. Kernan indicated copies would be provided.

- (c) Resolution No. 110-85 requests authorization of a First Amendatory Agreement, extending the conveyance date to October 30, 1985, to the LDA with John, Gianni and Virginia Pasini for 1800 Eddy Street in the Western Addition A-2.
- (d) Resolution No. 111-85 requests authorization of a First Amendatory Agreement, extending the conveyance date to July 31, 1985, to the LDA with John, Gianni and Virginia Pasini for 1207-1209 Scott Street in the Western Addition A-2.

Mr. Kernan reported on items (c) and (d) as follows. In October 1984 three LDA's were authorized with the developers to rehabilitate the two subject buildings and a third building at 1211 Scott Street as residential rental units. The two Scott Street properties contain two flats and the Eddy Street property, four units. Pre-conveyance requirements have been met for all properties and rehabilitation of 1211 Scott Street has commenced. The performance dates were based on the developers' obtaining Section 312 financing for a portion of the construction costs and calls for conveyance of all three sites no later than April 30, 1985. Under the Section 312 program, 50% of the construction funds would have been available at 5% interest if matched with private or conventional loan funds and their loan packages were submitted to HUD, along with several others. However, none of the loan applications qualified due to a HUD policy adopted in 1984 restricting loans to certain groups. Until then neither the Agency or the Mayor's office, which administers Section 312 loan allocations, were aware of this policy change. Subsequently, financing commitments have been obtained from a conventional lender at 14% interest, creating a situation where construction period interest must be minimized to retain the feasibility of

NEW BUSINESS (continued)

the projects for rental purposes which is highly desirable. This has resulted in the requested amendments to the closing dates to enable rehabilitation of 1800 Eddy Street to commence as the Scott Street property draws near to generating income. The developers' performance to date has been exceptional and their track record for rapid rehabilitation has been demonstrated by their project at 1940-1950 Ellis Street.

At this time Ms. Berk left the meeting, 4:23 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-85 BE ADOPTED.

At this time Ms. Berk returned to the meeting, 4:27 p.m.

- (e) Resolution No. 112-85 requests authorization of an Owner Participation Agreement with Kwong Woon Cheung for 1407 Gough Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. This three story wood-framed building was constructed in 1880 as a single family dwelling and was remodelled in the 1940's to house the former Labaudt Art Gallery. Mr. Cheung, who acquired the property in May 1984, proposes to rehabilitate this vacant structure into four residential units at an estimated cost of \$250,000, privately financed. The proposed plans and specifications are in accordance with the WA-2 Redevelopment Plan and, upon completion of rehabilitation, will conform to all City and Agency standards and requirements.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-85 BE ADOPTED.

- (f) Resolution No. 113-85 requests authorization of a permit to enter with the Juneteenth Festival Committee for the interim use of Parcels 707-A and 726-A located on the southeast and southwest corners of Fillmore and O'Farrell Streets for the 5th Juneteenth Festival on June 15 and 16, 1985, in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. Juneteenth is celebrated annually in mid-June by black Americans throughout the country in commemoration of President Lincoln's Emancipation Proclamation in 1863. Last year the festival was a huge success with an estimated 10,000 people attending the wide variety of events the festival encompasses. The Committee will provide a 24 hour guard service and there will be additional police patrol during the celebrations. Appropriate liability and property damage insurance and necessary permits will be obtained by the Committee. Proceeds will be used for the cultural and educational needs of black youths of the Western Addition and to

NEW BUSINESS (continued)

pay expenses incurred by the Festival Committee. In view of the Committee's non-profit status, it is suggested no rent be charged for the use of the land.

In response to inquiries by President King and Mr. Newman, Mr. Suttle named the Festival Committee Members and indicated that their services are entirely voluntary.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-85 BE ADOPTED.

- (g) Resolution No. 114-85 requests authorization to extend the conveyance date to July 16, 1985, to the LDA with Herman and Irene Yarbrough and Lillie M. Collins for 1401-1405 Gough Street in the Western Addition A-2.

Mr. Kernan reported on item (g) as follows. In July 1984 an LDA was authorized with the developers to rehabilitate this three-story Victorian building as five residential condominium units. All pre-conveyance requirements have been met with the exception of a building permit. A permit was filed with the Bureau of Building Inspection (BBI) in January 1985, however, obtaining a permit is taking longer than anticipated because of additional information and redesign requested by the BBI regarding a second means of egress for two units. It is understood that the egress problem has now been resolved and the necessary drawings will be submitted to the BBI shortly. It is expected that completion of the overall permit process will take an additional two to three months and therefore the scheduled April 16th conveyance date could not be met, resulting in the proposed amendment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-85 BE ADOPTED.

- (h) Resolution No. 115-85 requests authorization to extend Exclusive Negotiations until May 22, 1985, with the Caledonian Club of San Francisco for 1881 Bush Street in the Western Addition A-2.

Mr. Kernan reported on item (h) as follows. In January 1985 exclusive negotiations were authorized with the developer to rehabilitate this wood-frame building, constructed in 1895 as a House of Worship, to serve as a permanent facility for the Club's cultural and social activities. A 400-500 seat theater is also to be provided. All requirements have been complied with except for allocation of permanent space to the San Francisco Go Club which presently occupies ground-floor space. Discussions have been held between the Caledonian Club and the Go Club with Agency participation, however, to date the matter remains unresolved. Drawings have been submitted by the Caledonian Club which do not provide permanent space for the Go Club since the existing building is only sufficient to accommodate the needs of the Caledonian Club. In addition, City handicap access requirements

NEW BUSINESS (continued)

will eliminate the ground floor space currently occupied by the Go Club and any expansion of the building would result in City seismic requirements that could make the project economically infeasible. The Go Club has been given copies of the plans and asked to provide suggestions as to how they might be accommodated, however, to date there has been no response. Recent changes to language in the Land Disposition Agreement's standard form have delayed preparation of the LDA; however, this has now been completed and will be reviewed by Legal Division staff and the developer's attorney within the next two weeks. It is proposed to publish Notice of Public Hearing on May 5th and 12th, followed by consideration of the LDA by the Commission on May 21, 1985.

The following members of the San Francisco Go Club expressed a desire that the Club remain at its present location, 1181 Bush Street: Bob Hamilton, President; Hal Womack, Shinji Dote, Allan Saffron and Aaron Rosen. Mr. George Gearey, representing the Caledonian Club, and Robert Hunter, attorney for the Caledonian Club, explained the reasons it was considered infeasible for the Go Club to retain tenancy in the building after rehabilitation and urged that the Commission extend their exclusive negotiations.

Mary Jane Staymates, WANA, requested the Commission reconsider the potential theatre with its accompanying parking problems.

A discussion occurred between Commissioners, staff and the public and a recording of that discussion is on file with the Agency Secretary.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, THAT RESOLUTION NO. 115-85 BE ADOPTED SUBJECT TO THE FOLLOWING CONDITIONS: (1) THE MEMBERSHIP LIMITATIONS OF THE CALEDONIAN CLUB OF SAN FRANCISCO DO NOT PRECLUDE THE AGENCY FROM SELLING SAID PARCEL TO THE DEVELOPER; (2) SAID EXCLUSIVE NEGOTIATIONS SHALL EXPIRE IF AND WHEN THE AGENCY DETERMINES THAT IT IS PRECLUDED FROM SELLING SAID PARCEL TO THE DEVELOPER, ON OR BEFORE MAY 22, 1985, WHICHEVER OCCURS EARLIER, UNLESS EXTENDED BY THIS COMMISSION; AND (3) THE DEVELOPER CONTINUED NEGOTIATIONS WITH THE SAN FRANCISCO GO CLUB FOR THE USE OF A PORTION OF THE BUILDING. ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Mardikian
Mr. Newman
Mr. King.

AND THE FOLLOWING VOTED "NAY":

Mr. Commons

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (i) Resolution No. 166-85 requests authorization to extend the Owner Participation Agreement (OPA) Performance Schedule to July 16, 1985, with Campeau South Beach Properties for Block 3789, Lots 1A, 12, 15, 21 and 24, Site I, on the block bounded by Townsend, First, Brannan and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (i) as follows. In June 1984 an OPA was authorized with Campeau for construction of 402 dwelling units, rehabilitation of the Oriental Warehouse and construction of a 91,000 square foot office building. Prior to Campeau being obligated to proceed with any aspect of the project, construction of the South Beach Harbor was to commence and a commitment made to purchase the office building site. Campeau was formally notified on January 11, 1985 that both these conditions had been met. Under the terms of the OPA this should have been followed by submission of preliminary plans and outline specifications for the first residential phase of 56 dwelling units within sixty days or by March 12, 1985. Campeau indicates the primary reason for the delay in meeting the housing deadline has been cause by a notification from the State Land Commission that the State claims title to Bluxome Street which runs through the site, resulting in Campeau being reluctant to proceed with the development until the matter is resolved. Under the OPA rehabilitation of the Oriental Warehouse is dependent upon an Urban Development Action Grant (UDAG) or substitute financial assistance. The UDAG application, which combines the office building development and the Oriental Warehouse rehabilitation, has not been completed due to Campeau's inability to obtain a private financial commitment which is now expected to be in place prior to the next application deadline of May 15, 1985. The delay affects UDAG in that the OPA requires the First Phase housing to be under construction before the office site lease is executed and a revised performance schedule is necessary to avoid the UDAG funds being held up by the title action. A modification to the OPA is therefore being prepared and will be brought before the Commission for consideration within the next three weeks. Campeau is actively endeavoring to resolve the title issue and it is anticipated significant progress can be achieved during the period of the requested extension.

At this time, Mr. Newman left the meeting, 5:30 p.m.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-85 BE ADOPTED.

NEW BUSINESS (continued)

At this time, Mr. Newman returned to the meeting, 5:35 p.m.

- (j) Resolution No. 117-85 requests authorization to extend exclusive negotiations, until May 15, 1985, with Third Street Gateway Associates for Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center.
- (k) Resolution No. 118-85 requests authorization to extend exclusive negotiations, until May 15, 1985, with Brighton Associates (formerly known as Harrison Street Associates) for Parcel 3751-P located on the southeast corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

Mr. Kernan reported on items (j) and (k) as follows. In December 1984 exclusive negotiations, until April 17, 1985, were authorized with the subject developers. The required soils studies and cost estimates for parking have satisfactorily been completed by both developers. However, negotiations and accompanying documents for the LDA's were not finalized in time to meet the Notice of Public Hearing publication deadlines. Publication is now scheduled for April 17, 1985 for Third Street Gateway Associates for construction of a three story office building with 90 parking spaces and April 10, 1985 for Brighton Associates for construction of a six story office building with 155 parking spaces.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-85 BE ADOPTED.

- (l) Resolution No. 119-85 requests authorization to amend the Performance Schedule of the Disposition and Development Agreement (DDA) with YBG Associates, Central Blocks 1, 2 and 3 and East Block 2, extending the selection of a Cultural Architect for Yerba Buena Gardens (YBG) by 45 days and extending the Agreement to Lease in connection with Central Block 3 (CB-3) by 90 days. Yerba Buena Center.

Mr. Kernan reported on item (l) as follows. The DDA Schedule of Performance was amended in February 1985 to extend the selection process for a Gardens Consultant and a similar extension is now being requested for the Cultural Architect. This will bring the schedule for both the Landscape and Cultural Consultants into conformity. The selection process for a Cultural Consultant is on today's agenda. With response to CB-3, the Agreement to Lease stipulates that, unless extended, the CB-3 Project Lease be amended and other documents be approved and related actions taken by April 18, 1985. An essential first step to these actions was the consent of the Moscone Convention Center Bond Trustee to remove the rooftop surface from the Project Lease. This consent has just been received. However, the completion of post-consent

NEW BUSINESS (continued)

actions will require additional time. The City and the Developer have agreed with staff that a 90-day extension is needed to complete this process. The proposed extensions will not delay the overall development of YBG.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-85 BE ADOPTED.

- (m) Resolution No. 120-85 requests authorization of a selection process for Architectural Design Services for the Yerba Buena Gardens (YBG) Cultural Facilities.

Mr. Kernan reported on item (m) as follows. This will be a significant contract because the total budget for the cultural facilities is \$22.5 million. The proposed alternative theatre of approximately 1,800 seats is estimated to cost an additional \$18 million. The cultural parcels are grouped into two basic complexes and therefore it is possible to have each designed by separate architects. A decision in this respect can be made by the Commission later in the selection process. A list of firms of outstanding design reputation and/or cultural design experience, compiled by knowledgeable groups and individuals, has been made available.

It is suggested that this list be narrowed down to the most qualified 18 firms to be invited to submit information on their organizations. Other firms expressing interest will of course be included in the consideration. After review of qualifications, it is intended to further refine the list to three to six firms to be interviewed by Urban Design Consultants, executive staff, and TAC members in conjunction with Commission and Developer participation. It is proposed to mail the invitations on April 19th, with responses due May 17; evaluate response, secure client references and conduct interviews between May 20 and June 16; with selection of an architect(s) by July 2, 1985.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-85 BE ADOPTED.

- (n) Resolution No. 121-85 requests authorization to pay a net premium of approximately \$86,000 to Levinson Bros., Inc. for project liability and automobile insurance effective April 20, 1985 to April 19, 1986.

Mr. Kernan reported on item (n) as follows. The subject insurance is scheduled to expire on April 20th and, in view of the deterioration of the insurance market, Levinson Bros. was approached to negotiate a one year renewal of these two policies under the present terms with the current carrier, U.S. Fire Insurance. The current liability limits for both policies are \$5 million. A proposal has now been received from Levinson Bros. for the renewal of the two policies and, with the same terms and conditions as last year, the combined premium is \$90,087. Since six vehicles were recently sold and two will be added shortly,

NEW BUSINESS (continued)

the net premium will be reduced by approximately \$4,000. In an endeavor to reduce the premium, quotes were secured for policies with higher deductibles, however, the savings would be minimal and easily exceeded by any sizeable claims. The net premium, after adjustment from the disposal of the vehicles, will be approximately 2.6 times greater than the premiums last year, but still less than the 300% increase experienced with the building insurance building premium rate. If, following a consultant review of the Agency's risk management program, changes are deemed appropriate then the policies can be either re-negotiated or cancelled with a short rate penalty and re-bid.

Mr. Newman noted he would abstain from voting due to a possible conflict of interest.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-85 BE ADOPTED.

- (o) Resolution No. 122-85 requests authorization for the Acting Executive Director to travel to Toronto, Canada, to attend the Urban Land Institute (ULI) 1985 Conference, April 30 to May 5, at a cost not to exceed \$2,500.

Mr. Kernan reported on item (o) as follows. This organization whose majority of members are involved in the real estate and development field, as well as professionals in related activities, conducts two major meetings each year. These meetings feature thoroughly researched presentations of development cases featuring various aspects of land use, planning, financing and development implementation. Staff is involved in many issues that will be discussed and it is believed participation will be beneficial to the Agency. Also the Executive Group of ULI's Development System Services Council will convene one day prior to the conference. In working with the Agency's development program on a daily basis it is believed appropriate to attend the conference and the Executive Group Meeting.

Mr. Mardikian suggested the matter be raised at the Conference of amending the rules to include Commissioners as public officials so as to avail themselves of a modified fee situation and Mr. Kernan indicated he would be pleased to make this request.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-85 BE ADOPTED.

- (p) Resolution No. 123-85 requests authorization to pay National Association of Housing and Redevelopment Officials' (NAHRO) annual dues in an amount of \$1,602.

Mr. Kernan reported on item (p) as follows. This organization has been most effective in the formulation of national policy, procedure and legislation and has assisted in obtaining HUD

NEW BUSINESS (continued)

rulings and waivers beneficial to the Agency. As indicated in reports on the national program and budget outlook for 1985, NAHRO is making successful efforts to maintain the housing and community development programs at a viable level. The formula for calculating membership dues is based on the population of the city in which the Agency has jurisdiction and HUD recognizes the value of NAHRO by allowing payment of dues from Federal funds.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-85 BE ADOPTED.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (q). The meeting recessed at 6:20 p.m.

The meeting reconvened at 6:30 p.m. with the following roll call:

Walter S. Newman, Acting President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian
Dorman L. Commons

- (q) Workshop to present a proposal by Rincon Center Associates for development of Site B, located on the block bounded by Mission, Steuart, Howard and Speer Streets; Rincon Point-South Beach.

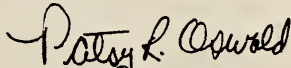
In October 1983 a basic use and development program was approved with the U.S. Postal Service, fee owner of the site. The agreement required the developer to produce 46,000 gross square feet of low- and moderate-income residential space as part of the base deal or alternatively provide \$5,000,000 in contributions towards this housing in the form of price or rent reductions. In accordance with the agreement, in November 1983 the Postal Service solicited proposals and at the closing of public response in March 1984 four proposals had been submitted. Details have been provided of the proposal from Rincon Center Associates which is considered by the Post Office to be the most appropriate response. The purpose of this workshop is to give the developer an opportunity to make a presentation and to obtain comments and reactions prior to a more thorough analysis by staff which will be followed by a recommendation to be brought before the Commission for consideration within the next sixty days.

Jay Mansini, Rincon Center Associates, and Scott Johnson, architect, presented the design concept for the development.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

May 28, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF APRIL 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of April, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Charlotte Berk (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mark Wilder, Ellis Associates; Ray Ho and Nolan Frank, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of April 2, 1985, as distributed by mail to the Commissioners, be approved.

Ms. Berk arrived at this time, 4:10 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Board of Supervisors at their meeting yesterday passed, on second reading, the Ordinance for the A-1 Plan Amendment. Prior to that meeting, Planning, Housing and Development Committee held a Special Meeting that included Supervisor Silver's resolution urging the Mayor to urge the City Planning Commission to study the appropriate height, density and other requirements of the City Planning Department for Redevelopment Agency properties within the Western Addition Area including A-1 and A-2, and to urge the Agency to consider the imposition of a height limit of

REPORT OF THE EXECUTIVE DIRECTOR (continued)

65 feet, FAR of 3.6 and a 50% affordable housing requirement for development of property in the Western Addition A-1. This item was severed into two items. One urging that Planning work with Redevelopment and, second, to consider separately the specifics of height limits, FAR, etc. Both items were discussed, however, neither passed out of Committee. Supervisor Silver then brought this item up at the full Board on roll call but was informed by President Molinari, at the urging of Supervisor Kennedy, it was improper to bring up an item that was not passed by Committee and therefore the report was stricken from the record. The matter remains in Committee and can be called out of Committee by any Supervisor.

Supervisor Maher has advised of his intention to call out of Committee a resolution urging City Planning to study the appropriate height density of Redevelopment properties within the Western Addition. It was indicated to Supervisor Maher that the resolution, as drafted, had some erroneous language. He then requested the Agency work on a resolution to remove that language and such a resolution would be called out to the full Board in the near future.

- (b) Open House and dedication ceremonies will be held for Ceatrice Polite Apartments in Yerba Buena Center on May 1 from 4 to 7 p.m. This is a 91 unit Senior Housing development located at 321 Clementina Street and is the third TODCO development in Yerba Buena Center.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of 1965 O'Farrell Street, Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 124-85 requests authorization of the sale of a condominium unit located at 1965 O'Farrell Street in the Western Addition A-2 to William and Sandra Mitsitz.

Mr. Kernan reported on item (a) as follows. Mr. & Mrs. Mitsitz were not in the group of applicants previously approved, however, they meet the selection criteria and have been approved by First Nationwide Savings to purchase the unit which is one of the six remaining unsold Phase I units owned by the Agency in the Endicott Court Development. Potential purchasers for two other units are presently being processed; one is item (b) on today's agenda and a second will be on next week's agenda. Close of escrow for an already approved applicant is expected shortly. Marketing efforts for the remaining two units continue. These efforts include "open-houses", enhanced by the increased visibility resulting from the adjacent Amancio Ergina development.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-85 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the conveyance of 1949 O'Farrell Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 125-85 requests authorization of the sale of a condominium unit located at 1949 O'Farrell Street in the Western Addition A-2 to Neil Silver and Catherine Gormley.

Mr. Kernan reported on item (b) as follows. The purchasers, although not in the initial group of applicants, do meet the selection criteria of the program and arrangements have been made with First Nationwide Savings to purchase the unit.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-85 BE ADOPTED.

- (c) Resolution No. 126-85 requests authorization to extend the conveyance date to May 24, 1985, to the LDA with Nolan Frank and Frances Lung for Parcels 1129-I and Q located at 1800-1804 Turk Street/1101 Divisadero and 1107-1111 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. In May 1984 an LDA was authorized for the development of the two subject properties as a single 16-unit residential building. First and Second Amendatory Agreements were subsequently approved, both to provide additional time to complete financing arrangements. This has now been accomplished and all pre-conveyance requirements of the LDA have been met. However, there are two matters that need to be resolved prior to close of escrow. One, the developers have been endeavoring to obtain fire insurance, but have encountered either a lack of interest or exorbitant premium quotations. Negotiations are now in process with California Fair Plan, which functions as the insurer of last resort in California, and coverage is expected to be in place within two weeks. Second, the LDA provides for the condominium subdivision map to be recorded prior to conveyance. As a condition of recording this map, the City requires a performance bond which is expected to be delivered to the City within the next two weeks. The proposed extension will allow time to resolve these two issues.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-85 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 127-85 requests authorization to re-enter into exclusive negotiations, until May 29, 1985, with Innerland Development & Investments for 1734-1738 Laguna Street in the Western Addition A-2.
- (e) Resolution No. 128-85 requests authorization to extend exclusive negotiations, until May 29, 1985, with Paul Park and Young Hi Moon Park for 1696-1697 Sutter Street in the Western Addition A-2.

Mr. Kernan reported on items (d) and (e) as follows. In January 1985 exclusive negotiations were authorized with Innerland Development to rehabilitate a three-story Edwardian building, constructed in 1905, as three residential rental units. Due to an oversight the exclusive negotiations period expired on April 17, 1985. Therefore, rather than an extension, as indicated in staff memorandum, re-entry into exclusive negotiations is proposed. Also, in January 1985 exclusive negotiations were approved with the Parks who propose to rehabilitate a two-story Victorian building, constructed in 1875, as two residential rental units. Although both developers have complied with all conditions of the exclusive negotiations in a timely manner, additional time is required to finalize provisions of the LDA's.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-85 BE ADOPTED.

- (f) Resolution No. 129-85 requests authorization of a final audit of the John Swett Community Facility Grant by Raymond C. Ho, CPA, at a cost not to exceed \$1,550, payable from the unexpended balance of the Grant, Western Addition A-2.

Mr. Kernan reported on item (f) as follows. In September 1977 a grant of \$2.3 million was awarded by the Department of Commerce to construct the John Swett Community Facility. Additional funds of \$400,000 were provided through the Community Development Block Grant Program and the project was completed in April 1981. The facility, currently known as Ella Hill Hutch Community Center, located at McAllister and Webster Streets, was dedicated to the City in June 1981. The Grant required an interim audit at 40% completion, which was conducted in June 1980 by Michael Weiner, CPA, and a final audit upon completion. Although there is outstanding litigation, the Economic Development Administration indicates the final audit should proceed, since the project is complete. In view of the minimal number of transactions involved subsequent to the interim audit, only small firms were contacted. Out of seventy proposals solicited, seven responses were received. The first lowest proposal appeared unrealistic when considering the range of hours and cost quoted. The second

NEW BUSINESS (continued)

lowest proposal, submitted by Mr. Ho, best satisfies the Agency's requirements. Mr. Ho, a San Francisco-based minority person, recently formed his own practice and brings with him impressive credentials from his prior experience.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-85 BE ADOPTED.

- (g) Resolution No. 130-85 requests authorization of a Consultant Contract in an amount not to exceed \$25,000 with Mr. Ralph Rapson as a fourth member of the Urban Design Panel for the Central Blocks in Yerba Buena Center.

Mr. Kernan reported on item (g) as follows. Since the major buildings of the project are proceeding into a more detailed architectural design, it is important to supplement the design consultant team with an architect who has had specific extensive experience with the architectural design of major structures, is available, has professional stature, a critical ability to identify design problems and suggest improvements, an ability to work with the Agency and an understanding and sensitivity to urban design issues. In early April, authorization to interview two architects, Ralph Rapson and John Harkness, was given and they were interviewed by Commissioners Berk, Lee and Newman, plus the present Urban Design Panel and Agency executive and technical staff. From those interviews, it was apparent the both Messrs. Rapson and Harkness fulfill those qualifications the Agency was seeking. However, Mr. Rapson seemed to have the sensitivity to immediately identify some of the major design issues related to the Yerba Buena Gardens project and the ability to articulate the concerns in a clear and concise manner. The proposed contract provides for review services of the Olympia and York/Marriott submissions during the period of the development of the project's design.

President King thanked the three Commissioners for being available for the interviews.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 131-85 requests authorization to extend the Termination Date and a Conditional Determination not to terminate the LDA with Ellis Street Associates, Ltd. for 1917 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In September 1984 an LDA was authorized for rehabilitation of this three-story Victorian building containing two residential units and a garage. In January 1985 a First Amendment Agreement was approved extending the performance schedule, however, the Developer was

MATTERS NOT APPEARING ON THE AGENDA (continued)

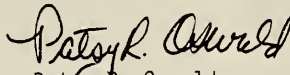
placed in default on March 1, 1985 for failure to submit rehabilitation construction costs and did not meet the 30 day cure period, resulting in a written notice on April 8, 1985 of failure to cure this default and advice from the Agency that it would exercise its option to terminate the LDA. Termination will occur on the 21st day of notice, unless the Commission determines not to terminate the LDA. A meeting was held today with the Developer to discuss his reasons for being in default. In addition his Consultant was contacted regarding completion of LDA submission requirements. The Consultant indicated the final rehabilitation construction documents will be completed by April 26, 1985 and the Developer has also indicated that the rehabilitation construction costs can be submitted by May 6, 1985. It is therefore proposed the Performance Schedule be extended requiring submission of final rehabilitation construction documents by April 30, 1985 and submission of rehabilitation construction costs by May 6, 1985. If either of these conditions are not met, the LDA will automatically terminate. Since this property is under abatement proceedings a rapid performance schedule is necessary.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 4:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

April 30, 1985

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0/85

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF APRIL 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of April, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Walter S. Newman, Vice President
H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Jimmy T. Nakamura, Gedatsu Church; Dorothy Okamura, Kay Mainaga, Sandy Ouye Mori, Kimochi, Inc.; Ty M. Toki, Sakura Matsuri; Patty Wada, Hokubei Mainichi; Jeff Mori, Japanese Community Youth Council; Shinichi Seino, Kinokuniya Bookstore; Mari Matsumoto, Nihanmzehi Little Friends; Miyako Ikeda, Fujima Rokushige Dance Troup; T. Higaki, Nihonmachi Merchants Association; Mary D. James, Eiko Mizuhara, Golden Gate/Fillmore Partners; Robert Speer, Beideman Area Neighborhood Group (BANG); Fritz Wooster, Paul Eerriere, Brighton Associates; Rev. David Nakagawa, Christ United Presbyterian Church; Nobu Kajiwarra, Jim Kajiwarra, Denise Imura, Don Misumi, JCPA; Edith Tanaka, Janey Egawa, Katherine Nunotani, Josh Atsuki, Wallace Nunatani, JCCCNC; Mary Ellen Rogers, Western Addition; George Ando, James Arima, Kiyami Maeda, R. Iwamaza, Ocie Mae Rogers, Elaine Yoneda, Karl Yoneda, Cyndi Ikeda, Noni Richen, Janice Mirikitani, Nolan Frank, Catherine Groody, Steve Nakajo, Helen G. Jones and Ronald Iwamasa, interested citizens.

Representing the press were: Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of April 23, 1985, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of April 23, 1985, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

Various Nihonmachi Community Organizations expressed an interest in appearing at this meeting to discuss the proposal by American Multi Cinema (AMC) to purchase and renovate the Kabuki Theater in the Japanese Cultural and Trade Center (JCTC) into a nine-screen cinema complex. The following persons from the community spoke in opposition of AMC's proposal:

Steve Nakajo and Sandy Mori, Kimochi Senior Center; Mari Matsumoto, Nihannmzehi Little Friends; Don Misumi, JCPA; Helen Jones, Western Addition resident; Miyako Ikeda, Fujima Rokushige Dance Troup; Rev. David Nakaga, Christ United Presbyterian Church; Ronald Iwamasa, Mary Rogers, Western Addition Community; George Ondo, Elaine Onetta, Ben Nahodgeo, Dennis Hiashi.

Mr. Taiji Hagaki, Nihonmachi Merchants Association, indicated support of AMC's proposal if it were available for ethnic events.

A discussion occurred between Commissioners, Staff and the public regarding AMC's proposal and a recording of that discussion is on file with the Agency Secretary.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, THAT THERE IS A DESIRE ON THE PART OF THE COMMISSION TO SEE ANY FUTURE USE OF THE KABUKI THEATER BE SUCH THAT IT CAN ACCOMMODATE THE CULTURAL USES OF THE JAPANESE COMMUNITY WHICH HAVE HERETOFORE USED THIS FACILITY AND THAT IN SO STATING THIS DESIRE OF THE COMMISSION THAT STAFF IS REDIRECTED TO REVIEW THE APPROPRIATE DOCUMENTS TO SEE IF IN SOME WAY THE COMMISSION'S STATED DESIRE CAN BE MADE COMPATIBLE WITH THE COMMERCIAL REALITIES OF THE LAND DISPOSITION AGREEMENT AND THE CONTINUED OPERATION OF THIS THEATER.

Further discussions between the Commissioners and staff ensued. A recording of that discussion is on file with the Agency Secretary. The motion was then unanimously carried.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Just a reminder that Ceatrice Polite Apartments will be holding Open House and dedication ceremonies May 1, from 4 to 7 p.m. Ceatrice Polite Apartments is a 91 unit Senior Housing development located at 321 Clementina Street and is the third TODCO development in YBC.
- (b) Mr. Kernan will be attending the ULI Conference in Toronto starting May 1 and will return May 7.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of 1953 O'Farrell Street, in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 132-85 requests authorization of the sale of a condominium unit located at 1953 O'Farrell Street in the Western Addition A-2 to Kenneth and Brenda Jones.

Mr. Kernan reported on item (a) as follows. The Jones' were not in the initial group of applicants approved by the Commission; however, they meet the selection criteria and their proposal to purchase has been approved by First Nationwide Savings. The Jones' became aware of the unit while visiting the adjacent Amancio Ergina Sales Office.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-85 BE ADOPTED.

- (b) Resolution No. 133-85 requests authorization of Conditional Approval of the Architectural Design with Brighton Associates for Parcel 3751-P located on the northeast corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. The proposed six story office building, which is in compliance with the 80 foot height limit for the area, totals approximately 85,000 square feet. Following review of the schematic architectural design, it has been concluded that, although there is not concern with design concept per se, further study of certain aspects appears to be necessary. The Department of City Planning is generally in agreement with the overall design approach, including the proposed massing, height and design direction for the exterior skin. Their comments have been incorporated in the list of design concerns, all of which it is considered can be successfully addressed by the architects during the preliminary design phase.

Messrs. Harrison and Amick, Architects for Brighton Associates, made a presentation of the proposed development. Mr. Yanagita described the design concerns and noted it is believed they can be successfully addressed during the preliminary design phase.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-85 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 3751-P in Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 134-85 requests authorization of an LDA with Brighton Associates for Parcel 3751-P located on the northeast corner of Harrison and Lapu Lapu Streets in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. Exclusive negotiations were authorized in December 1984 to construct a six story office building of approximately 85,000 square feet with 155 underground parking spaces. The exclusive negotiations period was subsequently extended from April 17 to May 15, 1985 to allow time for publication of Notice of Public Hearing. This has been accomplished and all requirements of the exclusive negotiations have been met. The Performance Schedule calls for submission of evidence of financing by May 1, 1986 and conveyance of the site by June 1, 1986.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Commons inquired whether the subject property had been put out to bid and Mr. Kernan indicated that proposals had been solicited from the development community resulting in two proposals being submitted. Upon selection of a developer, exclusive negotiations were entered into to finalize details with regard to design and terms. One of the key elements was whether a parking variance was needed or if it was economically feasible to place parking under the building due to the soils condition of the site. All problems have been satisfactorily resolved during the exclusive negotiations period.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-85 BE ADOPTED.

- (d) Resolution No. 135-85 requests authorization of a Fourth Amendatory Agreement, extending the performance schedule by approximately ninety days, to the LDA with Essie Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In November 1983 an LDA was authorized for construction of 13 market-rate residential condominiums. The developer was placed in default on March 14, 1985 for not providing evidence of financing. Ms. Collins has informed staff she has been unable to secure financing because the construction bids are significantly higher than estimated making the project infeasible. Mr. Harold Bexton, architect, and Mr. Arthur Silvers, design consultant, are endeavoring to make changes which will reduce costs while retaining the quality of

NEW BUSINESS (continued)

design. The requested extension will allow time to complete the redesign and secure financing. The land price expires on May 29, 1985 and since the conveyance is not expected by then, staff will begin to review market data to ascertain fair market value for the land. The developer has been advised and language in this respect has been incorporated in the Fourth Amendatory Agreement. The performance schedule now calls for submission of evidence of financing by June 12, 1985 and conveyance of the site by August 28, 1985.

Robert Speer, BANG, indicated his support for this extension, but was concerned about a eucalyptus tree he would like to see remain on the site.

A representative for Noni Richen, BANG, also expressed concern regarding removal of the tree.

Essie Collins, developer, indicated that efforts had been made to preserve the tree, even to the extent of consulting a tree surgeon, however, it was found to be economically infeasible.

Mr. Harold Bexton, architect, indicated only minor changes were being made and that the design would remain essentially the same.

Mr. Commons inquired if the Commission has the authority to keep the tree or take it down and Mr. Kernan replied affirmatively, noting that since the Agency owned the property the Commission does have that authority, subject to the Disposition Agreement with Ms. Collins. Experts have been consulted and have expressed the view that the tree would not survive, given the close proximity to the building. Therefore, staff concur with the developer's recommendation to remove the tree. Mr. Lee inquired if additional trees would be included in the landscaping and Mr. Kernan replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-85 BE ADOPTED.

- (e) Resolution No. 136-85 requests authorization of a First Amendatory Agreement extending the conveyance date to May 30, 1985, and changing the name in connection with the LDA with Golden Gate/Fillmore Partners for the Parcel located at 1300 Golden Gate Avenue/1101-1123 Fillmore Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In December 1984 an LDA was authorized for rehabilitation of a building containing 31 residential units with approximately 8,000 square feet of ground floor commercial space. All requirements of the LDA have been met in a timely manner. However, the scheduled conveyance date of April 30, 1985, cannot be met since the developer's lender, Westamerica Bank, needs two additional weeks to finalize the loan closing documents, resulting in the requested extension. In

NEW BUSINESS (continued)

addition, the name Golden Gate/Fillmore Partners is not available for use and therefore a partnership agreement has been filed with the State in the name of Fillmore/Golden Gate Partners. The partnership is not changed in any other respect and the names of the partners and their respective interests remain the same.

A representative for Mr. Calvin Grigsby, one of the partners, indicated construction is expected to start May 31, 1985.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-85 BE ADOPTED.

- (f) Resolution No. 137-85 requests authorization to amend the conveyance date, until June 5, 1985, to the LDA with Stephen Byers and Catherine Groody for 1336 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. An LDA was authorized in June 1984 for rehabilitation of this two story, single family, Victorian building. In April 1985 the conveyance date was extended from March 26 to April 16, 1985 to allow time for completion of loan closing documents and this has now been accomplished. However, there has been a delay in closing due to the Rehabilitation Contractor's failure to deliver performance and payment bonds. The developers are optimistic that the contractor will be able to obtain the required bonds as he has been bonded for other Agency rehabilitation projects. In the meantime, they have contacted other contractors who originally submitted bids in order that an alternate bondable contractor can be selected if the intended contractor does not produce the bonds shortly.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-85 BE ADOPTED.

- (g) Resolution No. 138-85 requests authorization to purchase the Navy Road property adjacent to the Hunters Point Redevelopment Project Area from the General Services Administration (GSA) for \$550,001, subject to approval of reprogramming of Community Development Block Grant (CDBG) funds in an amount of \$200,000.

Mr. Kernan reported on item (g) as follows. In 1981 the U.S. Navy offered this parcel for public sale, however, bids submitted were rejected when the Mayor protested the sale on the grounds that it should be designated for residential, rather than industrial use as proposed by the then high bidder, AAA Machine Shop. GSA then afforded the City an opportunity to purchase the property and the Agency conducted negotiations on behalf of the City. A sale price of \$332,500 was agreed upon and in November 1983 the Commission authorized an offer in this amount. This proposed sale was subsequently protested by AAA Machine Shop, resulting in a determination by GSA in August 1984 that the higher offer of \$550,001 should at least be matched, whereupon

NEW BUSINESS (continued)

this higher price was reluctantly agreed to. Since only \$350,001 had been set aside in anticipation of the previously negotiated price, an additional \$200,00 is required thereby necessitating reprogramming of funds. It is proposed to utilize \$150,000 that had been allocated for preparation of a Navy Road Master Plan and \$50,000 allocated for street trees in Solomon Village with a replacement of the Master Planning Funds to be requested in the 1986 budget. \$490,000 has already been committed to BRIDGE which should be sufficient to encompass landscape improvements. Approval by the Mayor's Office of Community Development of this reprogramming of funds is expected within the next few days. This parcel will form an important housing resource and provide sites for 200-350 affordable and market-rate homes. Although there will be substantial planning and improvement expenses involved, it is anticipated these costs can be absorbed into the overall development. Following completion of the proposed purchase, a formal offering of the site for private development will be brought before the Commission for consideration.

Ms. Berk inquired if this property is adjacent to Mariners Village and Mr. Kernan replied affirmatively. Mr. Mardikian noted that approximately five years ago when he was touring the area he had asked who owned the property and was told the Navy. He observed at that time that the Redevelopment Agency should acquire it and now, after all this time, he was pleased to move the resolution to purchase the property.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-85 BE ADOPTED.

- (h) Resolution No. 139-85 requests authorization of a Second Amendment, which changes the business terms in the Owner Participation Agreement (OPA) with Campeau South Beach Properties for Site I-1 and I-2 in a portion of the block bounded by First, Townsend, Colin P. Kelly, Jr. and Brannan Streets in the Rincon Point-South Beach.

Mr. Kernan reported on item (h) as follows. On April 16, 1985, a First Amendment was approved extending the date for submission of preliminary plans and outline specifications for the first residential phase of the project, due to an unresolved title issue between Campeau and the State Land Commission. The OPA provides that the Agency purchase and lease the office building site to Campeau. The terms of the lease are favorable. If there are any funds remaining after expenses and debt service is paid, the Agency would be entitled to 15% of the remaining funds. In order to insure that Agency participation in the commercial aspects of the project would cause housing development, it was provided that the lease would not be executed until housing construction had actually begun. However, HUD considers this an unacceptable condition, particularly as the title issue must be resolved before housing can begin and they have indicated the UDAG application would not be approvable if the provision were

NEW BUSINESS (continued)

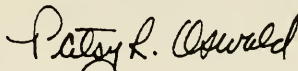
not modified. Financing of the commercial portions is largely dependent upon a \$4 to \$5 million UDAG and an application must be completed by Campeau by May 15, 1985. It is anticipated that this round of UDAG applications may be the last before the program is discontinued. The proposed amendment is designed to satisfy HUD and yet retain a strong link between commercial and housing development. It removes the start of housing construction as an absolute condition and substitutes a strong financial incentive for the owner to begin housing as soon as possible. This amendment provides for a base ground rent of 10% on the Agency's land value after debt service, but prior to any other distributions in addition to the 15% participation rent previously agreed to. The owner would have 180 days to begin housing after commencement of commercial construction before the increased rent obligation would be effective. It is considered the proposed changes are necessary to support the UDAG application and retain a strong incentive for the owner to proceed with the housing aspects of the program.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

May 14, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF MAY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of May, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnette
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

and the following was absent:

Walter S. Newman, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Nolan Frank, L.J.F. Development Company; Dexter Woods, Juneteenth Festival; Fred Cadham, Peter Munselle, Architect, Third Street Gateway Associates; David Bradwell, Hunters Point Plaza Associates; and Ocie Mae Rogers, interested citizen.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Rev. E. L. Evans, Pastor of First Friendship Baptist Church passed away last Thursday. This church sponsored Friendship Village, 158 units of low to moderate income housing in the Western Addition A-2. Services will be held May 9, at 11 a.m. at the First Friendship Baptist Church at Oak and Steiner Streets.
- (b) A meeting with The Japanese-American Community and American Multi-Cinema will be held tomorrow, May 8, at Christ United Presbyterian Church, 1700 Sutter Street at 7:30 p.m.
- (c) Mr. Kernan returned today from the ULI Meeting in Toronto. The meeting was both interesting and stimulating. There was an impressive presentation of Olympia & York's 8 million square foot Battery Park project in New York. The scope of the project is immense and a great deal can be learned from observing the development of this project.

NEW BUSINESS

- (a) Resolution No. 140-85 requests authorization of Conditional Approval of the Schematic Architectural Design with Third Street Gateway Associates for Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. This proposed three story building contains approximately 38,000 gross square feet of which 30,300 square feet is of occupied floor area. Also, there are 91 parking spaces of which 67 spaces are independently accessible. Staff has reviewed the schematic architectural design for this development and the Agency's architect, Edmund Ong, is prepared to comment on the design concerns. Staff feels these concerns can be successfully addressed during the preliminary design phase. The Department of City Planning's staff is generally in agreement with the overall design approach, including the proposed massing, height and design direction for the exterior skin.

The Developer's architect, Peter Munselle, made a presentation of the design. Mr. Edmund Ong, Chief of Architecture, noted that there is strong support for the basic architectural design concept and the items requiring careful attention, as detailed in staff memorandum, are more comments rather than concerns.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-85 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 3763-A in Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 141-85 requests authorization of an LDA with Third Street Gateway Associates for Parcel 3763-A located on the southeast corner of Harrison and Third Streets in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. Exclusive negotiations were authorized in December 1984 to construct a three story office building with 91 parking spaces. The exclusive negotiations were subsequently extended from April 17 to May 15, 1985, to allow time for publication of Notice of Public Hearing. This has now been accomplished and all requirements of the exclusive negotiations have been met. The Performance Schedule, which the developer will make every effort to accelerate, calls for submission of evidence of financing by June 5, 1986 and conveyance of the site by July 8, 1986.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-85 BE ADOPTED.

- (c) Resolution No. 142-85 requests authorization to extend Exclusive Negotiations, until August 14, 1985, with Hunters Point Plaza Associates for Hunters Point II School Site located on the southeasterly corner of Ingalls Street and Kiska Road adjacent to the Hunters Point Redevelopment Project Area.

Mr. Kernan reported on item (c) as follows. In November 1984 the developer submitted a proposal for a 38,000 square foot commercial shopping complex. This proposal was reviewed by the Commission at a workshop on January 8, 1985 and exclusive negotiations were authorized for 120 days, commencing January 15, 1985. During this period the developer was to conduct a market study and supply evidence of both equity financing and a conditional lease commitment from a prime tenant. The first two conditions have been complied with, however, a lease commitment has not been secured and in this connection the interest of a grocery broker for independent supermarkets is being sought. At the same time financial institutions are being approached for construction and permanent financing. Significant progress has been made and the requested extension is deemed reasonable in view of the complexity and pioneering nature of this highly desirable project.

Mr. David Bradwell, representing the development team, indicated that active negotiations are in process with a Richmond grocery chain and discussions are being held with seven other smaller stores. There has been tremendous community support for the project.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-85 BE ADOPTED.

- (d) Resolution No. 143-85 requests authorization of a First Amendatory Agreement, extending the Performance Schedule by approximately 90 days, to the LDA with Nolan Frank for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In October 1984 an LDA was authorized to construct 15 market-rate residential condominiums and approximately 2,000 square feet of retail space. Final construction documents are due May 8, 1985, however, Mr. Frank has advised that these documents cannot be produced by that date and that a closer look at the condominium market for this area indicates that the development, as planned, is overbuilt. The developer, Harold Bexton, Architect, and Arthur Silvers, Design Consultant, are endeavoring to make changes which will reduce the eventual sales prices of the units while retaining design quality, resulting in the requested extension. The proposed Schedule of Performance would extend submission of final

NEW BUSINESS (continued)

construction documents from May 8 to August 7, 1985; submission of evidence of financing from August 7 to November 6, 1985 and conveyance of the site from December 11, 1985 to March 12, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-85 BE ADOPTED.

- (e) Resolution No. 144-85 requests authorization of a Permit to Enter with the Juneteenth Festival Committee for the interim use of Parcels 707-A, 726-A and 750 located on the northwest corner of Fillmore and O'Farrell; southwest corner of Fillmore and O'Farrell and the southwest corner of Fillmore and Eddy Streets respectively in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In April 1985 a Permit to Enter was authorized for two parcels, however, the Festival Committee subsequently requested an additional parcel bounded by Fillmore, Steiner, Turk and Eddy Streets in order to hold the equestrian events away from the noise of the carnival concessions. The previously approved Permit to Enter covering two parcels has not been executed and, upon approval of subject resolution, would not be used.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-85 BE ADOPTED.

- (f) Resolution No. 145-85 requests authorization of Second Amendments to Developer Agreements with Bushmoor Associates, R & J Futuristic, Inc., Suttermore Corporation and Kimball Park Corporation; Western Addition A-2 and Hunters Point.
- (g) Resolution No. 146-85 requests authorization of a First Supplement to Trust Indenture; Western Addition A-2 and Hunters Point.

Mr. Kernan reported on items (f) and (g) as follows. Both items concern the Agency's Mortgage Revenue Bonds, 1984 Issue A, which provided permanent financing for units in Sutter Park West, Kimball Park, Amelia and LaSalle Heights condominium developments. The proceeds of the bond issues were allocated among those four projects on the basis of anticipated needs, with the developers paying participation fees based upon the percentage of bonds allocated to each project. As individual mortgage loans have closed, a surplus of funds has become apparent in one project which could be allocated to other projects. The proposed Second Amendments permit the flexibility of such reallocation and limits payment for transfer of bond proceeds by the developer to a pro-rated amount of participation fees previously paid. If reallocation were not permitted then the funds not needed by one project must be used to redeem bonds prior to maturity. A full use of bonds proceeds to purchase mortgage loans rather than redemption of bonds is in the interests of both the Agency and the Developer. The First

NEW BUSINESS (continued)

Supplement to the Trust Indenture deletes the requirement of maintaining a bankruptcy bond which was originally required by the bond rating agency, Standard and Poors. It has been subsequently determined that the maintenance of such a bond is not necessary, and it thus represents an additional expense which the underwriter recommends be eliminated. Both of these actions have been reviewed and approved by Bond Counsel.

Mr. Commons inquired if some of the projects had sold better than others thereby necessitating a reallocation. David Oster, Assistant Agency Counsel, indicated that the estimates were originally based upon an assumed loan-to-value ratio which, in this case, was approximately 92%. The present bond program permits loan-to-value ratios up to 95%, but the developers estimated not all of the buyers would need that kind of ratio. Sutter Park West is almost sold out now and instead of the 92% there is a loan-to-value ratio of 90%, resulting in approximately \$380,000 being available for another project. However, another project that estimated a 92% loan-to-value ratio can, by this reallocation, make 95% loans that will help the saleability.

Mr. Commons inquired if the reallocation would cause any of the projects to be left out. Mr. Oster indicated that this would not be the case, since once it has been determined a project does not need the full amount, they can voluntarily reallocate the money to another project, thus providing more money for other projects.

Mr. Commons inquired if, when all the project are completed, the money left over would be used to reduce the bond issue and Mr. Oster indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-85 BE ADOPTED.

- (h) Resolution No. 147-85 requests authorization of a Personal Services Contract with Warren, McVeigh & Griffin for a Risk Management Study in an amount not to exceed \$12,000.

Mr. Kernan reported on item (h) as follows. A study has not been performed for at least ten years and the recent volatility of the insurance market has clearly indicated the need for a comprehensive review of risks and means for protecting the Agency financially. Proposals were requested from three independent insurance consultants, all of whom were selected on the basis of their reputation and independent status as management consultants in the risk management field. None of the three either sell insurance or participate in insurance commissions. The study would cover a complete review of risks and an evaluation of the current insurance program; a total risk management program that

NEW BUSINESS (continued)

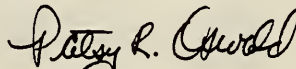
would include recommendations on changes in the insurance program and development of policies and procedures to control, transfer and avoid risk; a plan for implementing the risk management program. In this connection, where insurance is appropriate, it would include a broker selection and bidding process with emphasis on participation of minority and/or women-owned business enterprises; and on-going consultation services. The proposals were evaluated, formal interviews were conducted by Earl Mills, David Oster and James Nybakken and references checked. The interview team was impressed with Ms. Erin Oberly who would head the project team of Warren, McVeigh & Griffin. She is very knowledgeable and has had over 13 years in the insurance and risk management field. In addition, the firm and Ms. Oberly received excellent references from their clients. It has been determined that Warren, McVeigh & Griffin would provide the best service for the quoted cost. The fixed fee is \$10,000 with an additional amount of \$2,000 being added for on-going services bringing the total maximum amount of the contract to \$12,000.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

May 21, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MAY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of May, 1985, the place and date duly established for the holding of such meeting.

The By-Laws require that in the absence of a President and Vice President the Commissioners shall select a Commissioner present as temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT MR. LEE BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Temporary President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

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and the following were absent:

Leroy King, President
Walter S. Newman, Vice President

The Temporary President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Nicolas Dempsey, Western Commercial Partnerships; John Elberling, TODCO; David Mischel, Sutter Associates

Representing the press was Jim Kelly - San Francisco Progress

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of April 30, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On May 8th a meeting was held between the Japanese-American community and representatives of the American Multi-Cinema (AMC). In attendance were Commissioners King, Lee and Berk and Agency staff. A brief presentation was made by AMC representatives and

they basically heard the community's concerns. There appeared to be a willingness to respond to the concerns and the possibility was indicated of creating a theater of greater size than first anticipated, perhaps increasing the seating capacity from 500 to 800 seats. The matter is being re-studied and a meeting will be held with the community at which AMC will present a revised proposal.

- (b) Open House for new affordable housing and the new KP00 Radio Station Facilities will be held May 16 from Noon to 2 p.m. at 1329 Divisadero Street.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 687-F, 1689 Sutter Street, Western Addition A-2.

Temporary President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 148-85 requests authorization of an LDA with Sutter Associates, Ltd. for 1689 Sutter Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In January 1985 exclusive negotiations were authorized to rehabilitate this two story single family Victorian building constructed in 1875 as a personal residence for Mr. Mischel, General Partner of Sutter Associates, and an A-2 Certificate Holder. He has successfully completed other rehabilitation projects. The performance schedule calls for submission of evidence of financing by February 19, 1986 and conveyance of the site by May 14, 1986.

There being no further persons wishing to appear in connection with this matter, Temporary President Lee declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-85 BE ADOPTED.

- (b) Resolution No. 149-85 requests authorization of a Second Amendatory Agreement to the LDA with Ellis Street Associates for 1917 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. An LDA was authorized in September 1984 for rehabilitation of this three story Victorian building containing two residential units and a garage. In January 1985 a First Amendatory Agreement was approved to allow time for submission of final rehabilitation construction documents and construction costs. The construction documents were submitted in a timely manner, however, upon review they were deemed to be unacceptable and therefore disapproved. On March 1, 1985 the developer was placed in default for failure to submit construction costs and was notified that the Agency

would exercise its option to terminate the LDA. Subsequently on April 23, 1985 it was determined not to terminate the LDA and an extension to the termination date was approved, subject to submission of construction documents by April 30, 1985 and construction costs by May 6, 1985. Both of these conditions have been complied with, however, additional time has been requested to obtain a financing commitment and for conveyance of the site. The revised Schedule of Performance would extend submission of evidence of financing from April 9, to July 3, 1985 and conveyance of the site from May 15 to August 14, 1985.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY, MR. COMMONS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-85 BE ADOPTED.

- (c) Resolution No. 150-85 requests authorization to extend Exclusive Negotiations, until July 3, 1985, with Western Commercial Partnership for designation as purchaser of Parcel 725-D, located on the east side of Fillmore between O'Farrell and Ellis Streets in the Western Addition A-2, known as the Safeway Office Building.
- (d) Resolution No. 151-85 requests authorization to extend Exclusive Negotiations, until July 3, 1985, with Western Commercial Partnership to develop an apartment complex with ground floor and podium level commercial space on ECR Parcel 708-A, located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Kernan reported on items (c) and (d) as follows. Western Commercial Partnership proposes to purchase the two subject parcels to be used in accordance with the Agency's intent to provide stimulus for Fillmore Street trade and business. Negotiations are in process in an effort to reach agreement on terms for each transaction, however, it is not anticipated they can be finalized within the exclusive negotiations period previously authorized. Also, Safeway Stores has not completed its review or processed the necessary documents within the specified time for the office building. Also, securing approval from the Board of Supervisors of the WA-1 Plan Amendment took longer than anticipated and further delayed the process.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-85 BE ADOPTED.

- (e) Resolution No. 152-85 requests authorization of an Option Agreement with TODCO/YBC III, Inc., until July 1, 1987, for Parcel 3751-B located on a portion of the block bounded by Folsom, Harrison, Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. A Settlement Agreement was approved in May 1973 of the Tenants and Owners in Opposition to Redevelopment (T.O.O.R.) litigation wherein the Agency agreed to provide four specific sites for low-income, elderly housing in YBC with TODCO designated as the community-based sponsor. Subsequently, one of the sites was found to be environmentally inferior for housing by HUD and the Settlement Agreement was amended in 1980 substituting subject parcel for the site originally designated.

Sites 1, 2 and 4 have been developed by TODCO as the sponsor, but each project requires a separate corporation as the borrower. TODCO now intends to develop site 3 and to apply for Section 8/202 HUD funding for this final site up to the allowed maximum of 80 units. It is proposed to construct 191 units and financing for the remaining units over 80 would come from the City's Hotel Tax pursuant to agreements and ordinances contained in the T.O.O.R. litigation settlement. The availability 202 funding is limited and made available on a competitive basis. Last year TODCO's application was denied and the 1985 application must be filed by May 15th.

In the past, HUD has recognized the site legal obligations created by the T.O.O.R. Settlement, and the designation of TODCO, as sufficient evidence of site control. However, new regulations were adopted in 1985 which require evidence of the Agency's title to the site and its legally binding commitment to convey the property to the borrower corporation upon receipt of the 202 funding. The HUD Area Counsel takes the position that the T.O.O.R. Settlement Agreement is not sufficient to evidence the "legally binding commitment" and requires a contract or an option. This is contrary to the opinion of Agency Legal Counsel that the Agency's legal commitment under the Settlement is far firmer than the competitive proposal commitment HUD indicates is acceptable. However, it appears doubtful that HUD will change its position. Therefore, it is considered appropriate that TODCO should have an opportunity to obtain 202 funding in any competition without any question being raised concerning site control. In this respect an option would be granted to TODCO to acquire the site for \$500 a unit, which is the traditional HUD price, for two years. For this purpose TODCO has formed a non-profit corporation, TODCO/YBC III, Inc. The Agency under State Law may subsidize low- and moderate-income housing and therefore may charge less than the fair market value.

The option would contemplate an LDA expressly restricting the housing use for the low income elderly without regard to time, unless the Agency otherwise consents to change of use. The option could be terminated if TODCO does not obtain Section 202 funding and would expressly state that any termination of the option for failure to receive Section 202 funding does not modify or alter the legal obligations of the Agency in the T.O.O.R. Settlement Agreement. In addition, if this right to terminate would affect HUD site control requirements, it would be of no force or effect.

Mr. Commons inquired what does it mean when staff talks about being able to guarantee the site. Leo Borregard, Agency General Counsel, indicated that before HUD will consider an application for 202 funding, the applicant must have control of the land for which they are requesting the funding.

Mr. Commons inquired what 202 funds are and John Elberling, Director of Projects, TODCO, indicated Section 202 is a HUD program for elderly and handicapped housing, that provides a below market rate loan for construction and permanent financing, plus a Section 8 rent subsidy.

Mr. Commons inquired if the rent subsidy is an annual appropriation and Mr. Elberling indicated no, it is a 30 year rent subsidy. Mr. Commons inquired if this proposed development could be built without the Section 202 funds. Mr. Elberling indicated that in any event they have been instructed by Roger Boas, Chief Administrative Officer, who administers the TODCO development of these YBC sites, to take what funds are available in the low income housing fund set aside from hotel tax and begin construction of 100 units on the site by the end of 1986. However, with the 202 funds they could build 80 more units for those tenants of very low income.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT PESOLUTION NO. 152-85 BE ADOPTED.

- (f) Resolution No. 153-85 requests authorization for Helen Sause, YBC Project Director, to attend the NAHRO-Pacific Southwest Regional Council's Annual Conference May 17-22, 1985, Honolulu, Hawaii, at a cost not to exceed \$1,150.

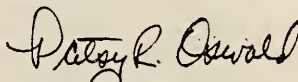
Mr. Kernan reported on item (f) as follows. Mrs. Sause would attend in her capacity as National Vice-President of Community Revitalization and Development (CR & D), PSWRC Board Member and as Program Chair for this Conference. Learning from "state-of-the-art" development, housing and finance will be the Conference theme with emphasis placed on East-West housing and community development practices. Speakers will include Wilbur Hamilton who will be attending in his capacity as Acting Executive Director of the Housing Authority and he will be speaking on the value and future of housing and community development programs. Participation in the program provides a unique opportunity to learn and share professional expertise.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

June 4, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF MAY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of May, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

and the following was absent:

Melvin D. Lee (arrived 4:15 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Maria Portillo Galatti, President, VIDA Foundation; Larry Jacobsen, Director of Property Management, San Francisco Unified School District; Robert D. Dockendorff, President, Diamond Heights Community Association; and Ocie Mae Rogers, interested citizen.

Representing the press was Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of May 7, 1985, as distributed by mail to the Commissioners, by approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On May 16, an extremely successful Open House was held for the new affordable housing and KPOO Radio Station facilities on Divisadero Street. Commissioner Berk and members of staff were in attendance.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) It is reported, with deep regret, the death of Bob Levy, Chief Building Inspector of the Bureau of Building Inspection. He was a man of great integrity and most helpful to the Agency in assisting the processing of building permit applications. It is suggested that the Agency meeting be adjourned in his memory. Services will be held May 23, at 10:00 a.m. at Temple Emanuel.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Variance to the Land Use Requirements on Block 7521, Lot 5, 350 Amber Drive, Diamond Heights.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 154-85 requests authorization of a variance to the Land Use requirements of the Diamond Heights Redevelopment Plan to permit a Police Academy at 350 Amber Drive in Diamond Heights.

Mr. Kernan reported on item (a) as follows. Presently, the Diamond Heights Elementary School, which was built in 1967, is located on the site. The School District abandoned the site in 1976 due to a land subsidence. Since then the site has remained vacant and unused. The School District now proposes to sell the school to the City for use by the Police Department as their training academy. Forty-percent of the two-story southerly building would be demolished and minor rehabilitation undertaken of the remainder of the facility. It is anticipated that not more than 70 personnel will be on the academy grounds at any given time and there would be no police station or incarceration on the site. The Diamond Heights Community Association has agreed to the academy's presence on the site, subject to the trees on the southwest portion of the hill facing Turquoise and Amber being retained and maintained by the City; adequate off-street parking being provided at the rear of the building with parking by occupants on-site; and the community being permitted use of the multi-purpose room during non-academy hours. The Diamond Heights Redevelopment Plan only permits an elementary school on the site. However, the Declaration of Restrictions, which is part of the Plan text, allows a variance to be granted at the discretion of the Agency Commission if an unnecessary hardship exists. It is considered that the land subsidence has resulted in an unnecessary hardship being placed on the School District relative to utilization of the site.

Mr. Lee arrived at this time, 4:15 p.m.

Ms. Maria Galatti, President of the VIDA Foundation, requested the Commission take no action that would preclude the possibility of including the development of low- and moderate-income housing for the elderly on the Diamond Heights Elementary School property and Mr. Kernan indicated that this variance did not preclude

NEW BUSINESS (continued)

housing on the site, but that the City would have to be contacted regarding that as they will be the owners of the property and if it was cleared by the City then the applicant would have to request that the Redevelopment Agency grant a variance so housing could be built on the site.

Mr. Robert Dockendorff, President of the Diamond Heights Community Association, expressed support for the variance, but indicated he had not been aware of the housing plan prior to this meeting.

Mr. Larry Jacobsen, Director of Property Management for the San Francisco Unified School District, also expressed support for the variance.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Arnelle noted that he would abstain from voting on this item, as he is a tenant in a residential building in Diamond Heights, which could be a potential conflict.

Mr. Newman indicated he would like to move the variance as is, and added that the Redevelopment Agency Commission request the Police Department and/or other appropriate City bodies to study the possibility of including low- and moderate-income housing for the elderly in their plans for the Diamond Heights Elementary School Site if it is feasible.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-85 BE ADOPTED.

- (b) Resolution No. 155-85 requests a determination not to terminate and authorization of a Third Amendatory Agreement to the LDA with Bruce Loughridge and Lawrence Spergel for the building located at 1402-1404 Post Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In May 1984 an LDA was authorized for rehabilitation of this three-story 1890 Victorian as four residential condominiums. Two subsequent amendments extended the Performance Schedule to provide additional time for submission of revised rehabilitation documents and evidence of financing. Revised rehabilitation documents were submitted in a timely manner, however, the amended date of March 19, 1985 for submission of evidence of financing was not met and the developers were placed in default on March 25, 1985. On May 2, 1985 they were given written notice of failure to cure this default and advised that the Agency would exercise its option to terminate the LDA. Termination will occur on May 23, 1985 unless otherwise determined by the Commission prior to that date. The developers advise that the initial lender, Continental Savings & Loan, after a considerable lapse of

NEW BUSINESS (continued)

time, indicated that they are no longer making construction loans. Loan packages were then submitted to Pacific Coast Savings & Loan and TOPA Thrift & Loan. The latter has confirmed the outlook for loan approval to be extremely favorable and a written commitment is expected within the next two weeks. Since the developers are diligently pursuing the financing requirements, staff considers the requested extension is appropriate. The revised Schedule of Performance would extend submission of evidence of financing from March 19 to June 5, 1985 and conveyance of the site from May 19 to July 24, 1985.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-85 BE ADOPTED.

- (c) Resolution No. 156-85 requests authorization to negotiate a sale of Parcel AA-2 located northerly of the intersection of Hudson Avenue and Keith Street in Hunters Point.

Mr. Kernan reported on item (c) as follows. In April 1983 an LDA was authorized with BARCO Developers for construction of approximately 70 condominiums on this 145,661 square foot site. The Performance Schedule was extended on several occasions but the developer was unable to provide satisfactory evidence of financing and the LDA was terminated on April 18, 1985. Although the market in Hunters Point is improving, developers still consider it a risk area and for this reason a less structured marketing program, rather than a formal public offering process, is considered appropriate. It is therefore proposed to advertise the site's availability for housing and related development in appropriate publications, contact developers who are currently undertaking Agency projects and invite qualified developers to submit proposals for consideration by the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-85 BE ADOPTED.

- (d) Resolution No. 157-85 requests authorization of a one year extension to the contract with Bay Area Janitorial and Maintenance Company (BAJAMCO).

Mr. Kernan reported on item (d) as follows. The original contract was awarded to this firm in 1982 as the lowest responsible bidder in a competitive bid process and in 1983 was extended for another year. In June 1984 a new contract was authorized for one year containing an option to extend it for an additional year at a cost not to exceed the San Francisco-Oakland Consumer Price Index for all Urban Consumers (CPI-U) percentage increase. The exact amount of the CPI-U increase for the period April 1984 to 1985 is not yet available, however, based upon updated data, a 5.5% increase is expected, bringing the monthly rate to \$1,131.78 which is considered reasonable. BAJAMCO has provided satisfactory service over the past year and been responsive to any complaints or special situations requiring janitorial attention.

NEW BUSINESS (continued)

Jim Nybakken, Personnel Officer, indicated that the CPI-U increase is 4.4%, which brings the monthly rate to \$1,119.98.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 158-85 requests authorization to extend the Conveyance Date, until June 24, 1985, to the LDA with Nolan Frank and Frances Lung for the buildings located at 1800-1804 Turk/1101 Divisadero and 1107-1111 Divisadero Street in the Western Addition A-2.

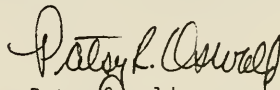
Mr. Kernan reported on item (a) as follows. An LDA was authorized in May 1984 for development of the two subject properties as a single 16-unit residential building. Two amendments were subsequently approved, both to provide additional time to complete financing arrangements which has been accomplished. The conveyance date was extended from April 24 to May 25, 1985 to allow additional time to obtain fire insurance on the structures and to resolve the City's requirement of a performance bond. The bond issues has been resolved, however, fire insurance coverage has not yet been obtained. The proposed insurer, California Fair Plan, is taking longer than anticipated in approving and issuing the required coverage. However, based upon recent discussions, it is anticipated the required insurance will be obtained within the next two weeks. All other requirements of the LDA have been complied with.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-85 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned in memory of Bob Levy and to a closed session on litigation. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patsy Oswald
Secretary

APPROVED

June 18, 1985

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MAY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. in the 28th day of May, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

and the following was absent:

H. Jesse Arnelle
Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of April 16, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The NAHRO Pacific Southwest Regional Council's annual conference was held May 17-22 in Honolulu and over 550 people were in attendance. Wilbur Hamilton's comments were well received. Joe Madonna and Joe Coomes participated in a presentation of the YBG mixed use development and Helen Sause participated in the cultural component.
- (b) TODOC and the Gardeners of the Alice Street Gardens will celebrate their Second Annual Spring Fiesta this Saturday June 1 from 12 to 2 p.m. on Third between Folsom and Harrison Streets in Yerba Buena Center.

NEW BUSINESS

- (a) Resolution No. 159-85 requests authorization to expend funds, in an amount not to exceed \$12,846, for the temporary move of Jerry and Johnny's from 81 Third Street to the Williams Building at 105 Third Street in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. Gerald and Billie Hanson have operated Jerry and Johnny's, which is often characterized as one of the great old San Francisco saloons, since 1951. The building they are located in, along with 71-77 Third Street, is scheduled for demolition in order to proceed with future marketing efforts for these sites. In accordance with HUD regulations, which authorizes payment of all costs associated with a temporary move of an Agency tenant, bids for this move were invited, resulting in submission of two bids, the lowest being from Ernie Connors Moving and Storage in an amount of \$5,561. The same two firms submitted separate bids for moving approximately 300 old photographs, which need special handling to avoid damage and which are required by Health Code regulations to be individually encased in a special plastic covering. However, the Hansons recommended the services of David Willis and Son, specialists in moving old photographs, from whom a bid has been received in an amount of \$4,785. Approximately \$1,800 of this cost is for materials to cover and mount the photographs. In addition to the strong wishes of the proprietors that the move be handled by a contractor with knowledge and experience in this field, staff is confident that Willis and Son will accomplish the move in a professional manner. It is therefore proposed to expend funds of \$5,561 for the move of the inventory, \$4,785 for the move of the photographs and \$2,500 for miscellaneous expenses for a total of \$12,846.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-85 BE ADOPTED.

- (b) Resolution No. 160-85 requests authorization of a Fifth Amendment to the Permit to Enter with YGB Associates for the former GSA property at 49 Fourth Street in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. In December 1983 a Permit to Enter was authorized with O & Y Equity Corp./Marriott Corporation/Willis (OYM) who requested entry through Marriott Corporation to demolish the Agency-owned property at 49 Fourth Street. They also have requested entry to the adjacent 10,000 square feet parcel for the contractor's equipment and have been paying \$10,000 a month for the lost parking revenues for the two parcels. Four subsequent amendments have been approved extending the completion time. The proposed Fifth Amendment would extend the time for completion of site clearance work, soils investigations and land survey work until December 31, 1985; change the name of the developer to YGB Associates; and terminate the monthly \$10,000 rental payments which will be resumed on or about November 16, 1985 if the site has not been conveyed by that

NEW BUSINESS (continued)

date. This is recommended on the basis that if the Agency were required to demolish the site a six month demolition period would be required during which no rent would be received. All other terms and conditions of the Permit would remain the same during this extension period.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-85 BE ADOPTED.

- (c) Resolution No. 161-85 requests authorization to seek a Private Tax Ruling from the Internal Revenue Service in connection with employee contributions to the Public Employees Retirement System (PERS).

Mr. Kernan reported on item (c) as follows. As a result of findings by the Joint Benefits Committee, in December 1984 a contract was authorized with William Mercer-Meidinger, Inc. to perform a feasibility/implementation study for adopting a salary reduction plan for employees' contributions to PERS. The expected benefit of the voluntary plan was to reduce the employee's current tax liability covering the employee's salary in consideration of the Agency making the employee's PERS contribution. This would produce more take-home pay by deferring tax on contributions until they are actually received, presumably at retirement when taxable income is lower.

In order to comply with current IRS law and regulation the plan cannot be optional and all employees must participate. The size of retirement benefits will not be affected as salary reported to PERS will be unreduced. Though there will be no savings to the Agency, the cost of implementing the plan is very little and will provide a desirable benefit of higher take-home pay for the employee. The only employees who would probably be disadvantaged are those who expect to be in a higher tax bracket when non-taxed contributions are actually received. In this connection Mercer-Meidinger has determined that if the non-taxed contributions are withdrawn prior to retirement, then the current tax liability could be reduced by utilizing an IRA or ten year tax averaging could be used for those with at least five years of PERS service. In addition, a small reduction in possible deferred compensation contributions would apply to those employees earning \$30,000 a year or less who are desirous of contributing 25% of their salary to deferred compensation. However, currently there is no-one in that category.

This year the State of California adopted a salary reduction plan for which they received an IRS ruling and their circumstances are identical to that of the Agency. This ruling does not bind the Agency to adopt the plan, but merely ensures that the plan, if implemented, meets current IRS requirements. The State's request took about two months for approval which will allow time to brief staff, obtain formal agreement of the unions and take a vote on adopting of the plan prior to consideration by the Commission.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 162-85 requests authorization for Demetrio Salvador, Chief, Engineering and Rehabilitation, to travel to Anaheim, California to attend A/E Systems 85, a Conference on Computer Technology, June 3-5, 1985, at a cost not to exceed \$700.00.

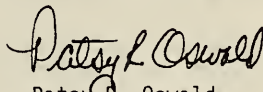
Mr. Kernan reported on item (a) as follows. Currently engineering staff is responsible for administering the \$11 million dollar South Beach Harbor contract, which will then have a second phase for probably another \$15 million dollars. They are also administering the planned construction contracts for the cultural facilities, the bridges and open space in Yerba Buena Gardens, all of which is approximately another \$50 million dollars. Staff believes that the knowledge to be gained by exposure to this Conference would result in a more efficient discharge by Mr. Salvador of his current duties.

IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted



Patsy R. Oswald
Secretary

APPROVED

June 18, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JUNE 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of June, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Matthew Huey, Anton Chan, Innerland Development & Investments; Ocie Rogers, Harold Bexton, Ginzo Morino and Mary Rogers, interested citizens.

Representing the press was Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of May 14, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On June 1, TODCO and the Gardeners of Alice Street Gardens in YBC successfully celebrated their Second Annual Spring Fiesta. They awarded to Helen Sause, Project Director for YBC, a token of their appreciation for her help in creating the Gardens by presenting her with a very attractive basket full of gardening items.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 779-K, 906 Steiner Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 163-85 requests authorization of an LDA with Rody B. Leano for 906 Steiner Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Exclusive negotiations were authorized in February 1985 with the developer who proposes to rehabilitate this two-story Victorian building, constructed in 1887, as a two-family structure with one unit for his personal residence and the other as a rental unit. Satisfactory schematic plans have been submitted together with sufficient evidence of financial capacity to undertake successful rehabilitation. The Performance Schedule calls for submission of evidence of financing by February 12, 1986 and conveyance of the site by April 30, 1986.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-85 BE ADOPTED.

Mr. Kernan reported on item (b), (c), (d), (e), (f) and (g) as follows. The subject structures were designated for acquisition and demolition under the Redevelopment Plan. The development standards formulated when the plan was established were intended to apply to new development at these locations. Had the buildings been originally designated for retention and rehabilitation under the Plan, the permitted density, open space and off-street parking requirements would not apply since the Plan provides that existing residential uses of properties designated as eligible for retention may be continued if appropriately rehabilitated. With rehabilitation of the existing structures as now proposed, the standards for development in the Plan cannot be accomplished without demolishing a substantial portion of the buildings. With respect to 1734-1738 Laguna Street and 1985 Ellis Street, the permitted density under the Plan may be achieved by demolishing portions of the buildings or increasing the room sizes. However, this may result in the infeasibility of the proposed rental developments and the proposed variances will allow the existing density to be retained. The Plan also provides that a specific amount of open space be provided, however, because of the existing building envelopes and extensive lot coverage, this cannot be achieved without demolishing portions of the building. The proposed variances would reduce the open space requirements for 1695-1697

NEW BUSINESS (continued)

Sutter Street from 320 square feet to none; for 1734-1738 Laguna Street from 540 square feet to none; and for 1985 Ellis Street from 1,725 to 321 square feet. To meet the off-street parking requirements of the Plan, this cannot be accomplished without demolishing portions of the buildings. The proposed variances would reduce the off-street parking spaces from two to none for 1695-1697 Sutter Street; from three to one for 1734-1738 Laguna Street; and from twelve to none for 1985 Ellis Street. The Plan provides for variances from standards for development where literal interpretation and enforcement would result in undue hardships and constitute unreasonable limitations beyond the intent and purposes of such standards. One of the purposes of the Plan was to provide for retention and rehabilitation of certain existing structures that were then considered feasible for rehabilitation. If these variances are not obtained then it is highly probable that rehabilitation will not take place and the buildings demolished for new development. Exclusive negotiations were authorized in January 1985 with the Parks for rehabilitation of a two-story Victorian building constructed in 1875 as their personal residence. The LDA Performance Schedule calls for submission of evidence of financing by January 15, 1986 and conveyance of the site by March 26, 1986. Exclusive negotiations were authorized in January 1985, and re-entered into in April 1985, with Innerland Development & Investments, to rehabilitate a three-story Edwardian building that was constructed in 1895 as three residential units. The LDA Performance Schedule calls for submission of evidence of financing by January 15, 1986 and conveyance of the site by March 26, 1986. Exclusive negotiations were authorized in February 1985 with the Clays to rehabilitate a three-story Edwardian building that was constructed in 1910 as twelve apartment units. The LDA Performance Schedule calls for submission of evidence of financing by March 26, 1986 and conveyance of the site by May 28, 1986. The three developers have submitted satisfactory schematic plans together with sufficient evidence of financial capacity to undertake successful rehabilitation of the properties.

- (b) Public Hearing to hear all persons interested in a Variance from the open space and off-street parking requirements on Parcel 687-C, 1695-97 Sutter Street in the Western Addition A-2.

Resolution No. 164-85 requests authorization to Permit Variances from the open space and off-street parking requirements of the Western Addition A-2 Redevelopment Plan for 1695-1697 Sutter Street.

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 687-C, 1695-97 Sutter Street in the Western Addition A-2.

Resolution No. 165-85 requests authorization of an LDA with Young Hi Moon Park and Paul Park for 1695-1697 Sutter Street in the Western Addition A-2.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-85 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a Variance from the density of development, open space and off-street parking requirements for Parcel 674-C(2), 1734-38 Laguna Street in the Western Addition A-2.

Resolution No. 166-85 requests authorization to Permit Variances from the density of development, open space, and off-street parking requirements of the Western Addition A-2 Redevelopment Plan for 1734-1738 Laguna Street.

- (e) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 674-C(2), 1734-38 Laguna Street in the Western Addition A-2.

Resolution No. 167-85 requests authorization of an LDA with Innerland Development & Investments for 1734-1738 Laguna Street in the Western Addition A-2.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-85 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in a Variance from the density of development, open space, and off-street parking for Parcel 1127-F, 1985 Ellis Street in the Western Addition A-2.

Resolution No. 168-85 requests authorization to Permit Variances from the density of development, open space and off-street parking requirements of the Western Addition A-2 Redevelopment Plan for 1985 Ellis Street.

- (g) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 1127-F, 1985 Ellis Street in the Western Addition A-2.

Resolution No. 169-85 requests authorization of an LDA with Robert and Dorothy Clay for 1985 Ellis Street in the Western Addition A-2.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-85 BE ADOPTED.

- (h) Resolution No. 170-85 requests authorization to extend the Conveyance Date, until June 30, 1985, to the LDA with Fillmore/Golden Gate Partners for the building located at 1300 Golden Gate Avenue/1101-1123 Fillmore Street in the Western Addition A-2.

Mr. Kernan reported on item (h) as follows. In December 1984 an LDA was authorized for the rehabilitation of a building containing 31 residential units with approximately 8,000 square feet of ground floor commercial space. All requirements of the LDA have been met in a timely manner. However, still remaining to be completed are arrangements for fire insurance and the bank's collateral requirements for the loan. It is considered these final matters can be accomplished within the requested additional 30 day period.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-85 BE ADOPTED.

- (i) Resolution No. 171-85 requests authorization of a First Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation (NCDC) which changes the use of a portion of Parcel 685-K(3), assigned to Ginzo and Mary Morino, from residential to commercial office use, located on the west side of Buchanan between Post and Sutter Streets in the Western Addition A-2.

Mr. Kernan reported on item (i) as follows. In March 1968 an "Agreement Contemplating a Negotiated LDA" was authorized with NCDC covering the four block Nihonmachi area. Three parcels were included in a subsequent Addendum to the LDA, approved in July 1970, with the subject parcel being assigned to the Morinos. The land use designation is Commercial, Community Shopping, which permits business and professional offices and residential development when specifically designed to be intermixed with other permitted uses. The Urban Design Plan for the Nihonmachi project contemplated two levels of commercial for this parcel with the proprietors living on the top floor. The intention was to keep life in the area even after the commercial establishments closed for the day. The Morinos, as was the case with many other developers, could not afford a three story building and opted to construct a two story building and reside over their restaurant. Since they have leased the restaurant space and now reside out of the area, they wish to convert the second floor residential space

NEW BUSINESS (continued)

into offices. This proposed change has been approved by NCDC and the newly formed Japantown Development Association with the view being expressed that because so few developers chose to reside over their business, the anticipated beneficial effect of having residences in a predominantly commercial area did not materialize.

Mr. Mardikian inquired why Mr. Morino was desirous of renting the property as commercial rather than residential. Mr. Morino indicated that it would be difficult to find tenants who could afford, or be willing to pay, the high rental for this four bedroom apartment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-85 BE ADOPTED.

- (j) Resolution No. 172-85 requests authorization of a First Amendment to the Personal Services Contract with Stevens & Associates in connection with the Fillmore Commercial Center site improvements in the Western Addition A-2.

Mr. Kernan reported on item (j) as follows. A contract was authorized with this firm in February 1982 for preparation of a design and working drawings for the construction of Fillmore Center public improvements in two phases. The work was to include the design of the sidewalks, street trees, street furnishings and graphics in all of the public areas. Phase I covers the blocks bounded by Fillmore, Geary, Webster and Ellis Streets and Phase II covers the remaining Fillmore Center blocks. The design and related documents have been completed for both phases and site improvements and final construction documents completed for Phase I. In March 1985 a contract was authorized with Homer J. Olsen and Magnum Construction Company to proceed with construction of Phase I site improvements. To effect program economics, staff no longer proposes to utilize Agency funds to construct Phase II improvements but are including them as an obligation of the respective developers. The design of these improvements will be monitored by staff to ensure conformity with Phase I. Stevens & Associates has been instructed not to proceed with the preparation of Phase II final construction documents. However, it is considered that additional services will be needed during the Phase I site construction. It is therefore proposed to amend the contract to provide for these additional services to be performed on an "on request" basis; delete the preparation of final construction documents for Phase II; and increase the hourly rates, established in 1982, to conform to 1985 rates. The total contract amount of \$77,200 would remain unchanged. It is considered that the services of Stevens & Associates will ensure design quality and maintain orderly construction progress. The remaining funds of approximately \$20,000 in the current contract, resulting from the deletion of Phase II final construction documents, is available for these services.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-85 BE ADOPTED.

- (k) Resolution No. 173-85 requests authorization of a Permit to Enter with the Juneteenth Festival Committee for the interim use on June 13 through 16, 1985 of Parcels 707-A, 726-A and 750, locate on the northwest corner of Fillmore and O'Farrell; southwest corner of Fillmore and O'Farrell and the southwest corner of Fillmore and Eddy Streets respectively in the Western Addition A-2.

Mr. Kernan reported on item (k) as follows. In April 1985 a Permit to Enter was authorized for two parcels and in May 1985 the use of an additional parcel was approved for the Juneteenth Festival to be held on June 15 and 16, 1985. The Committee has subsequently determined that the carnival rides will begin on June 13, two days earlier than originally scheduled, and therefore has requested the use of the subject parcels from June 13 through 16, 1985. The previously approved Permit to Enter has not been executed and, upon approval of the subject resolution, would not be used.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-85 BE ADOPTED.

- (l) Resolution No. 174-85 requests authorization of a First Amendment to the LDA with O'Brien Mechanical, Inc. for Parcel K-6 located on the southwest corner of Galvez Avenue and Mendell Street in the India Basin Industrial Park.

Mr. Kernan reported on item (l) as follows. The developer proposes to construct a building containing offices, shipping, loading and unloading facilities and landscaped areas. The required building permit with addendum for foundation and excavation was applied for on or about April 15, 1985 and issuance is expected to take from 90-120 days, resulting in the requested amendment. The revised Performance Schedule would extend the date for conveyance of the site from June 12 to August 15, 1985.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-85 BE ADOPTED.

- (m) Resolution No. 175-85 requests authorization of a Second Amendatory Agreement to the LDA with Rose Mary Rodriguez Najar for Parcel K-5 located on the southeast corner of Galvez Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Kernan reported on item (m) as follows. Ms. Najar, the owner of Mexican Food Products Corporation, proposes to construct a 14,000 square foot building with parking, loading and landscaped areas. A First Amendatory Agreement was authorized in February 1985 for revision of the building design plans to accommodate

NEW BUSINESS (continued)

machinery the Company had ordered, however, these revisions have taken longer than anticipated. In addition, the developer has only recently been able to arrange for financing and has yet to submit her plans for a building permit which will take 90-120 days to obtain. A loan commitment of over \$1 million has been made by Barclays Bank which is subject to the SBA 503 program. The new Schedule of Performance would extend the date for conveyance of the site from June 12 to October 16, 1985.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 176-85 requests authorization to pay travel costs for four out-of-area applicants for the position of Deputy Executive Director, Finance.

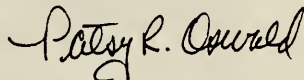
Mr. Kernan reported on item (a) as follows. The group for final interviews by the Commission has been narrowed down to five candidates, four of whom live outside the Bay Area. It is estimated that the total expenses for airfare and accommodation will not exceed \$4,000.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

June 25, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JUNE 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of June, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Dorman L. Commons

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were J. Hartl and Christian Bense, Bense & Hartl; Steve Bailey, Marriott Hotel; Germaine Wong, Chief Administrators Office; Ed Zeidler, Zeidler and Associates; M. J. Staymates, WANA; and Ocie Rogers, interested citizen.

Representing the press was Jim Kelly, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On June 12, the American Multi-Cinema representatives will present the redesigned architectural plans on the proposed theater complex in Japantown. The meeting will be held at 7:30 at Christ United Presbyterian Church at 1700 Sutter (at Laguna).
- (b) On June 19, the Agency will honor Tammy Imada with a luncheon at the Miyako Hotel. Tammy retired from the Agency on December 29 following 32 years of valuable service. At her request, formal recognition of that significant event was postponed.

NEW BUSINESS

- (a) Resolution No. 177-85 requests authorization of Exclusive Negotiations, until September 11, 1985, with James Hartl and H. Christian Bense for 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. The developers propose to rehabilitate this three-story Edwardian style building that was constructed in 1906 for residential development. Following a public opening of responses, under Rehabilitation Offering No. 24 last December, offers from Mr. John Young and then subsequently the Dare family, were approved. However, both applicants have since withdrawn their offers. Based on the criteria established in the offering, it was determined that the next most qualified response is that from Mr. Hartl and Mr. Bense. Satisfactory evidence of financial capacity to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-85 BE ADOPTED.

- (b) Resolution No. 178-85 requests authorization to reject bids for Site Improvement Contract No. 44 in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. The subject contract provides for the construction of planting beds, installation of an irrigation system, landscaping, sandblasting, and the fabrication and installation of four metal wall graphics at the Geary Street Underpass on Fillmore Street. The improvements are designed to enhance the appearance of the Underpass which is adjacent to the Fillmore Commercial Center and further augment the appearance of Fillmore, Geary and Webster Streets where improvements are being made under Contract 39R. Following extensive advertising, two bids were received in the amounts of \$179,369 and \$192,322.50, both considerably higher than the Engineer's estimate of \$120,000. It appears the high bid prices, and also the lack of interest in the contract, can be attributed to the location and conditions which involve extraordinary precautions relative to traffic control and safety of pedestrians and workers. The contract includes custom work for which cost comparisons are not available. It is therefore proposed to re-evaluate the scope of the work; modify the contract to meet established budget requirements; and re-advertise for bids by August 1985.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-85 BE ADOPTED.

- (c) Resolution No. 179-85 requests authorization to establish Agency positions and compensation schedules effective July 1, 1985 through June 30, 1986.

Mr. Kernan reported on item (c) as follows. With the exception of the classification of Financial Analyst, the proposed salary schedules represent rates based upon previously established comparability, either by internal Agency salary relationships or by direct comparables with related City and County classifications. Although this is not included in the salary resolution, the Commission should be aware that if the comparable worth provision should be implemented, a request to pay such monies could be forthcoming in order to maintain comparability with the City. As is normal practice, the salary proposals were

made available to staff for their comments and for them to request consideration of salary levels and/or comparables. Several requests for consideration were received, all of which have been duly considered in the preparation of staff's recommendations.

Mr. Mardikian indicated that in this time of budgetary constraint and fiscal problems, he would suggest that action on this item be held over to allow time to provide the Commission further background as to how the specific increases and comparables were established.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT ITEM (c) BE CONTINUED FOR ONE WEEK.

- (d) Resolution No. 180-85 requests authorization of funds for a Work Study Program with the University of California from July 1, 1985 through June 30, 1986, in an amount not to exceed \$5,000.

Mr. Kernan reported on item (d) as follows. This program, which the Agency has participated in for several years, allows students to earn money during school and gain work experience in their fields of educational interest. Three interns have been used during the past year in the Architecture Division, assigned to projects which not only assists the students in their educational growth but also accomplishes work that contributes to the overall efforts of the Agency. Currently fifty percent of the student's wage is paid by the Agency with the remainder being provided by the University through U.S. Department of Education grants. Out of the \$6,500 allocated last year, only \$1,480.12 was expended. The \$5,000 requested this year would allow for a maximum of three interns at any one time and fully cover the Agency's share of student salaries.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Ms. Mary Jane Staymates reported that the Western Addition Neighborhood Association had a meeting on May 29 and the subjects discussed included Winterland, Amelia Park West, Roosevelt Carrie's development and Sutter Park West. Concern was expressed regarding the future of the WAPAC building and the effect the Juneteenth Festival has on the neighborhood. She indicated she did not expect a reply from the Agency at this time, but wanted the Commission to know what was happening in the neighborhood. President King indicated that he was glad Ms. Staymates expressed her concerns before the Commission, but that appearances before the Commission should be preceded by a written communication and contact made with the appropriate Project Director as the Commission could not act today on any of these items.

- (b) Resolution No. 181-85 requests authorization of a Fifth Amendatory Agreement to the LDA with James Doherty for 1329 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In May 1983 an LDA was authorized for the rehabilitation of this seven unit residential building. The LDA provides the Agency with an assignable purchase option by which the units are conveyed as condominiums to low- and moderate-income individuals and families with preference given to Certificate of Preference Holders. The site was conveyed on April 19, 1984 and its Certificate of Completion issued on April 17, 1985. Six of the seven units have been conveyed since that time and the Agency's purchase option for the last unit must be exercised by June 17, 1985. A seventh purchaser was approved by the lender along with the other six purchasers, however, the mortgage insurer did not approve the seventh applicant and the sale did not take place. The take-out financing is through the California Housing Financing Agency (CHFA), however, this commitment was effective only through May 15, 1985 and the developer was required to pay CHFA a fee of \$696 in order to retain this financing. He has requested that this fee be paid to him from the sales proceeds of the seventh unit. An applicant is being processed for the remaining unit who is agreeable to the sales price being increased from \$68,650 to \$69,350 to cover the supplemental financing fee. Under the LDA the developer is required to provide take-out financing for 90% of the purchase price of the units and his efforts to obtain and continue the availability of CHFA financing has therefore increased their affordability.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-85 BE ADOPTED.

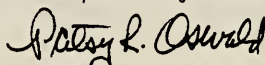
President King indicated that the meeting would be recessed to the fourth floor conference room for item (e). The meeting recessed at 4:25 p.m. The meeting reconvened at 4:35 p.m. with the same roll call.

- (e) Workshop for the developers and their architects to present the schematic design of the Marriott Hotel in Yerba Buena Center. Mr. Kernan reported that staff anticipates presenting comments and recommendations with regard to the hotel schematic design at the meeting of June 18, 1985.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

July 2, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JUNE 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of June, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnette
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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SEP 10 1985

and the following was absent:

Dorman L. Commons

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Rev. Amos Brown, Dorothy Smith, Jimmie L. Ruffin, Arthur F. Sapp, Gamett Sneth, Roy La Mar, L.C. & Leonee Thornton, Juana Francis, Illistine Smith, Dorothy V. Kelsey, Michele Jacques, M.L. McGee, Pervanche McGee, Tarlie William, O.H. & A.M. Hudspeth, Mr. & Mrs. Richard Nelson, Helen D. Hicks, Lillian E. Diamond, A. Fergusson, Delphine Carter, Goldie Butler, Frances E. Smith, Katherine Wynn, Joseph Rawell, Rev. Aubrey L. Lewis, Elyza Hemingway, Martha Dixon, N. Smith, William H. Pryor, Roland M. Taylor, Mr. B. Winn, Gwendolyn Dawson, Alloy Brownlow, Johnnie Smith, Ernest L. Abner, Alice Lane, Clifton Rollins, Earlie Jones, Richard Lee Nelson, Barbara Ann Thompson, Emma Jean Hollins, Almetta H. Johns, Third Baptist Church; Donald Tishman, Housing Associates; Walter Johnson, S.F. Labor Council; Stan Smith, S.F. Building Trades Council; Richard Morten, S.F. Chamber of Commerce; Percy H. Steele, Jr. Black Agenda Council and Bay Area Urban League; John Yearman, Fillmore Merchants Association; Ilene Weinreb, Bay Area Council; Randall Evans, WACR; Al McCoy, King/Garvey; Byron Walker, S.F. Republican Party; Keith Eickman, Recreation & Parks Commission; Ira Kurlander, S.F. Tomorrow; Roosevelt Carrie, R. Carrie Agency; Arnold Townsend, Fillmore Associates; Joseph Madonna, Russ Jordan, Steve Baily, Ian Grennel, Olympia and York; Bishop William Swing, Martha Woods, Rabbi Malcolm Aparer, Pietro Belluchi, Mel Haynes, Naomi Gray, Essie Collins, Lafayette Jamerson, Joseph Maher, Doris Kahn, Dave Jenkins, Tony Taylor, Jim San Jule, Susan Bierman, Mary Jane Staymates, Dave Cincotta, Kevin Williams, Michael Vanderhorst, Harrold Chasten, Martha Cook, Armanda Gordon, Mabel S. Taylor, Erma L. Adams, John D. & Ora Jean Ewell, Tanuye Birdwell, Lee Esther Barrow, Giles Smith, Alberta Lloyd, Grace Wheatley,

Gertrude Long, Frances McLenrou, Arthur L. Amos, Jr. Joseph Gibson Jr., Edna Johnson, J.L. Tuggle, D. Smith, William Stroud, Tommy Torres, Ocie Rogers, Rev. S.A. Morgan, Sr., Dewberry Wate, Gene Henderson, Willie Mae Johnson, R. Jun, Jerry Welch, Frank A. Munery, Debra Edgerly, Martha Ward, Terry Rawlins, J.P. Joyner, Robert E. Williams, Douglas Haynes, Fred Hubbard, Don Misumi, Carolin Papen, Randall Evans, Bobby Hodges, Betty Brooks, Wilbur W. Hamilton, Taylor Culver, Nicola Smith, Rai Okamoto, interested citizens.

Representing the press were: Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; Jim Kelly, San Francisco Progress; Huel Washington, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of December 18, 1984, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of May 21, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of May 28, 1985, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 179-85 requests authorization to establish Agency positions and compensation schedules effective July 1, 1985 through June 30, 1986.

Mr. Kernan reported on item (a) as follows. At Commissioner Mardikian's request, this item was continued from last week's meeting to allow time for the Commission to be provided further background as to how specific increases and comparables were established. The information has been provided.

ADOPTION: IT WAS MOVED BY MR. NEWMAN SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 182-85 requests authorization to award Site Improvement Contract No. 45 to Tamal Construction Co., in an amount of \$81,144 on basis of lowest bid received, for the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. The contract provides for the construction of sidewalks and curbs and the installation of 34 street trees and tree well covers at Amancio Ergina Village located on the southeast corner of O'Farrell and Scott Streets. Following extensive advertising, three bids were received at the bid opening with the lowest being from Tamal

NEW BUSINESS (continued)

Construction in an amount of \$81,144 which is 1.4 percent lower than the Engineer's estimate of \$82,347. The contractor's Affirmative Action and Safety programs have been reviewed and both are considered satisfactory. Tamal Construction Co., located in Richmond, California, has previously performed satisfactorily for the Agency in the Western Addition A-2, Yerba Buena Center and Hunters Point project areas.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-85 BE ADOPTED.

- (b) Resolution No. 183-85 requests authorization of Exclusive Negotiations, until August 21, 1985, with the Woods Group for 1339-1341 Pierce Street in the Western Addition A-2.
- (c) Resolution No. 184-85 requests authorization of Exclusive Negotiations, until August 21, 1985, with Robert and Linda Evans and John Dearman for 1905-1907 O'Farrell Street in the Western Addition A-2.

Mr. Kernan reported on items (b) and (c) as follows. In February 1985 exclusive negotiations were authorized with the Woods Group for rehabilitation of a two-story Edwardian-style building that was constructed in 1900 as two residential units. In March 1985 exclusive negotiations were approved with the Evans' and John Dearman who propose to rehabilitate this two-story Victorian building that was constructed in 1895 as two residential units. Although all conditions of the LDA's were complied with in a timely manner, a delay occurred in updating of appraisals by the Agency's independent appraiser for establishment of disposition prices. These appraisals are now in hand and the requested extensions will provide sufficient time to finalize pertinent details and publish Public Hearing notices prior to consideration of the LDA's by the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-85 BE ADOPTED.

- (d) Resolution No. 185-85 requests authorization to award Contract No. 49 to Evans Brothers, Inc. in an amount of \$73,414.25 on the basis of the lowest bid received, for demolition and clearance of 81-85 Third Street (Jerry & Johnny's) and 71-77 Third Street/183 Jessie Street (Breen's), Block 7307, Lots 28 and 29 respectively, in Yerba Buena Center.

Mr. Kernan reported on item (d) as follows. Rehabilitation of both buildings was determined to be infeasible and, in accordance with authorization granted in January 1985, this contract was advertised and five bids were received with \$73,414.25 being the low bid, which was 22 percent below the Engineer's estimate. The

NEW BUSINESS (continued)

reason for this differential is that Evans Brothers allowed \$15,000 for salvage value of the bricks in the building which was not included when preparing the Engineer's estimate, due to the uncertainty of the marketability of the materials. Developers are not yet designated for these sites, however, it is considered clearance of the building sites will enhance marketing efforts which are anticipated to occur in the near future. In addition, cleared sites eliminate potential liability problems normally associated with vacant buildings. The demolition work will include improvements enabling the sites to be utilized for parking until commencement of development. The contractor's Affirmative Action and Safety Programs have been reviewed and both are considered to be satisfactory. Evans Brothers, located in San Ramon, California has previously completed satisfactory work for the Agency in the Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-85 BE ADOPTED.

- (e) Resolution No. 186-85 requests authorization of Conditional Approval of Schematic Architectural Design with YBG Associates for the Marriott Hotel on CB-1 and CB-2 Hotel Site, Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. This item concerns Schematic Architectural Design approval for the Marriott Hotel, which is Phase 1 of Yerba Buena Gardens. It is significant to note that this consideration of the hotel is the culmination of the actions which started with public meetings on the Request for Qualifications RFQ for YBC's Central Blocks in 1979-1980, the approval of the Master Plan and program which was considered in many public meetings and workshops, and announced at a luncheon on April 12, 1984. The Basic Concept Drawings approved in October 1984 established the basic design and massing of the uses in the Central Blocks. The DDA provides that Schematic and Preliminary drawings for the project be reviewed and approved by the Commission prior to moving on to the next step in the implementation process. The consideration of the Schematic drawings for the hotel is calendared for consideration in accordance with this requirement. The Hotel Schematics are recommended for approval with certain issues identified for additional work.

Joseph Madonna, General Manager of YBG Associates introduced the Marriott development team: Russell Jordan, Vice President of Business Development, Architecture and Construction; Stephen Bailey, Project Director; Philip Griffen, Design Manager and Ben DeVino, Project Executive. Mr. Madonna and Mr. Jordan described the Architectural aspects of the hotel.

Edmund Ong, Chief of Architecture reviewed staff's comments on the design and noted the concerns, which would need to be resolved in the next phase of design development.

NEW BUSINESS (continued)

Mr. Kernan also noted that as an additional concern, the staff recommends that the Developer explore the potential for public access to the top of the hotel with the understanding that achievement of this objective may be affected by code limitations. Mr. Kernan noted that approval of the Schematics marked a change in the architectural responsibility for the hotel and DMJM would assume responsibility for the remaining work. The Developer has proposed and the Agency agreed that Anthony Lumsden, Director of Design for DMJM, would have the responsibility for the DMJM architectural effort for the continuing work. The issues that were enumerated have been discussed with the developer on the hotel design. These are understood to be issues that can be expected at the schematic design phase and that the design will be refined and brought back to the Commission for consideration at the time of Preliminary Design approval. The developer, staff and consultants have worked to achieve a distinctively designed building, which respects the Grant Avenue view corridor, St. Patrick's Church and the adjacent Central Block 2 Gardens. The concerns that were enumerated, at the time of the Basic Concept Drawings, have been addressed, and now staff recommends approval of the Schematic Drawings with the understanding that the design concerns will be satisfactorily resolved during the next phase of design development. Staff will work with the Developer and his architects to ensure that the hotel achieves its full potential and becomes a truly great addition to San Francisco.

Mr. Micheal Levin, interested citizen, expressed concern regarding the size of the hotel and the office buildings and the profusion of bridges over Mission and Howard Streets. However, he noted his gratification for the Agency's concern with design details in efforts to further refine the buildings.

Mr. Newman indicated that the Commissioners were all concerned with the size of the buildings, but that these buildings are the driving force for the whole Yerba Buena project and the acceptance of this size hotel is necessary to provide the income flow for operation and maintenance of the public improvements. He noted that the Commissioners and the Agency's urban design consultants have worked for almost a year to try to mitigate the impact of the building and it is felt a tremendous amount of progress has been made.

Mr. Arnelle endorsed Mr. Newman's comments and added that he believed the point had been reached where the design, if properly executed, could result in a building of quality.

Ms. Berk noted that the design concerns had been spelled out and all Commissioners would be insisting that every effort be made to achieve resolution of these concerns.

Mr. Mardikian indicated that every effort must be made in the final execution of the design of this building to assure that the

NEW BUSINESS (continued)

Fourth Street facade has a sense of life and provides a feeling of warmth and attraction. He stressed concern that this side of the hotel not be treated as a backside of the building because it will only be by the livening of Fourth Street that Yerba Buena Gardens will be able to draw the type of attendance and success that it is expected to be.

President King indicated that for the past year the Commission and consultants had great concerns about the massing and the architectural design. It appears these are now being resolved and it is intended that this will be one of the finest hotel buildings in San Francisco.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-85 BE ADOPTED.

- (f) Resolution No. 187-85 requests approval of Cesar Pelli & Associates, New Haven Connecticut, as the YBG Design Architect for the CB-1 Office Building and Galleria.

Mr. Kernan reported on item (f) as follows. The DDA for the Central Blocks requires the developer, YBG Associates, to obtain Agency approval of architectural firms. The Developer has requested that Cesar Pelli & Associates be approved as the design architect responsible for design of the Central Block 1 Office Building and the Galleria, including preparation of the schematic drawings. The preliminary construction documents will also be monitored by the design architect to ensure that the design concepts and the intent are maintained.

Mr. Pelli is well qualified. He has received numerous award commissions for a wide range of building types and urban design projects. Mr. Pelli is held in high esteem by the architectural community. Two of his most recent projects are the design of the World Financial Center in Battery Park in New York City, a 7.5 million square foot office and commercial center for Olympia & York; and a 53 story residential tower and a 334,000 square foot gallery expansion for the Museum of Modern Art in New York. The Agency Staff and Consultants consider that Cesar Pelli & Associates has demonstrated an ability to produce architecture of high design quality and recommends that the firm be approved as the Design Architect for the Central Block 1 Office Building and Galleria with the clear understanding that Mr. Pelli will be the partner responsible for the design and his firm will have substantial involvement during the preparation of final construction documents.

Mr. Newman inquired if Pelli Associates would have full control of the design of the building and the Galleria and whether a local architectural firm would be used to prepare the workings drawings and Mr. Madonna replied affirmatively. Mr. Newman expressed his belief that it was fortunate that Mr. Pelli was in a position to undertake the project and he felt this would not

NEW BUSINESS (continued)

only ensure the success of the building, but would also enhance the success of Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-85 BE ADOPTED.

- (g) Resolution No. 188-85 requests authorization of a Third Amendment to the Agreement for Legal Services with Taylor R. Culver, which increases the contract amount by \$75,000 in connection with all Redevelopment Project areas.

Mr. Kernan reported on item (g) as follows. This firm has been providing excellent legal services since May 1983 and is currently handling active litigation matters for the Western A-2 and Mariners Village. Funds are almost expended and the proposed amendment will result in a maximum contract amount of \$175,000 which is necessary to enable Mr. Culver to represent the Agency in on-going legal matters.

ADOPTION: IT WAS MOVED BY Mr. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-85 BE ADOPTED.

- (h) Resolution No. 189-85 requests authorization for Peat, Marwick, Mitchell & Co.; Morris, Davis & Co.; and Chek Tan, a consortium, to audit the Agency's financial records for the twelve month period ending June 30, 1985, at a cost not to exceed \$25,000.

Mr. Kernan reported on item (h) as follows. The work will be performed on a time and material basis and completed by September 30, 1985.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-85 BE ADOPTED.

President King announced that the meeting would be recessed before proceeding with items (i) and (j). The meeting recessed at 5:10 p.m. and reconvened at 5:30 p.m. with the same roll call.

- (i) Workshop to present the proposed development of housing, retail commercial and community space by Housing Associates, Inc. on Parcels 707-A, 726-A, 731-A, 749-C and 750-A located along O'Farrell, Fillmore, Turk and Steiner Streets, Western Addition A-2.

Mr. Kernan reported on item (i) as follows. The purpose of this Workshop is for Housing Associates Inc., headed by Donald Tishman, to present a proposal for housing, retail commercial and community development on the Parcels located along O'Farrell, Fillmore, Turk and Steiner Streets in the Western Addition A-2.

Mr. Hamilton commented as follows. The Fillmore Center is indeed a critical element in the development of the Western Addition. It is a critical element in its urban design impacts and how it

NEW BUSINESS (continued)

influences the environment which is part of this important area that has been delayed for so long. It is absolutely essential that the community participate in the economic development of this corridor and everyone should evaluate and assess all that is in context of the proposal which should respond to two factors. One, its urban design impacts and how the program relates to needs in the area and, two, the real opportunity for individuals who have a vested interest and historical association with the community to participate. The restoration of commercial activity in the area has been attempted before but, for a variety of reasons relating to financing difficulties, did not make it. It is important to understand the factors that made these attempts unsuccessful and most critical on that list was the inability to present something which was deemed to be financeable by the investment community. There was some serious re-thinking resulting in a consumer need study that was translated into an urban design plan produced by architect Arthur Silvers. In order to make the area mean something to the community and provide real opportunities for people to be involved, the Commission was requested and gave authorization to negotiate directly for specific separate parcels with developers. Proposed agreements were then brought back to the Commission for the development of various parcels for various uses of which housing was indeed a part. For many reasons, not the least of which was the continuing difficulty with financing, none have gone forward. An unsolicited proposal was then received from Donald Tishman who is here today to present the master plan approach to the Commission and to the public. He proposed developing all the parcels in such a way that a comprehensive program designed to deliver amenities, program benefits and economic benefits that were supportable and involved the community could be achieved. He was advised that the only proposal could be considered would be for him to become involved in serious discussions with people who had been involved in trying to produce something real in the Fillmore Center for many years. It is surprising to note that in just a matter of weeks he had reached a planning consensus among those groups that had been historically involved, many of whom had committed time, energy and a good deal of money in trying to bring about development in the Fillmore Center. The earlier proposals were far more dense and presented some height and urban design problems which Mr. Tishman was advised would need to be resolved. The problems of density and height have been addressed in a very real way and, while design quality is something that remains of concern to senior staff and the Commission, it is believed that what you will see today represents a gigantic step in the direction of achieving the kind of quality and scale program use that is appropriate for the area. The Community has been approached in a number of ways as the proposal has evolved. This program will not come as a surprise to people who have been tracking the matter with interest since presentations have been made to organizations; it has been before the Black Agenda Council twice; and open public meetings have been held. A meeting was held at Benjamin Franklin, chaired jointly by

NEW BUSINESS (continued)

Supervisors Ward and Kennedy, when some three hours were spent discussing the project. However, there have been significant, changes since then, so all who heard those presentations are invited to be particularly attentive today because the project in terms of its urban design characteristics is considerably different from what has been seen before.

Donald Tishman and Clifton Jeffers made the presentation on behalf of Housing Associates, Inc. The following persons commented on the proposal: Reverend Amos Brown, Third Baptist Church; Bishop William Swing, Martha Woods, Rabbi Malcolm Sparer, Pietro Belluch, Walter Johnson, San Francisco Labor Council; Stan Smith, San Francisco Building Trades Council; Richard Morten, Chamber of Commerce; Percy Steele, Black Agenda Council and Bay Area Urban League; Mel Hayes; Naomi Gray; Essie Collins; John Yerman, Fillmore Merchants Association; Ilene Weinreb, Bay Area Council; Randal Evans, W.A.C.R.; Al McCoy, King/Garvey Complex; Byron Walker, San Francisco Republican Party; Keith Eickman. Recreation and Park Commission; Ira Kurlande, San Francisco Tomorrow; Lafayette Jamerson, William Stround, Rainbow Coalition; Roosevelt Carrie, R. Carrie Agency; Arnold Townsend, Fillmore Associates; Mary Rogers and Joseph Maher.

President King indicated that the meeting would be recessed before preceeding with item (j). The meeting recessed at 7:50 p.m. and reconvened at 8:00 p.m. with the same roll call.

- (j) Workshop to present the proposed development of housing and retail Commercial space by Western Commercial Partnership on Parcel 708-B, located at the southwest corner of Geary Boulevard and Webster Streets, Western Addition A-1 and A-2.

Mr. Kernan reported on item (j) as follows. The purpose of this workshop is for Western Commercial Partnership (WCP) to present plans for development of the Parcel facing the southerly side of Geary Boulevard between Fillmore and Webster Streets and located on the southwest corner of Geary Boulevard and Webster Streets in the Western Addition A-1 and A-2. Exclusive negotiations were authorized in late 1984 for acquisition and development of the subject parcel. Subsequently and A-1 Plan Amendment was secured from the City to develop housing over retail commercial uses. The dwelling unit capacity without further restraints is estimated to be 190 units. WCP submitted drawings and a model of a 160 unit development, resulting in a staff critique being delivered to Mr. Szeto, President of WCP. His response and progress will be reported today.

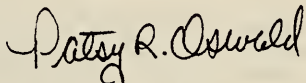
Nicholas Dempsey and Larry Hines made the presentation on behalf of the Western Commercial Partnership proposal.

Terry Onorato, Lone Star Hotel, voiced his objections to the proposal.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Patsy R. Oswald". The signature is written in dark ink and is positioned above the printed name and title.

Patsy R. Oswald
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JUNE 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of June, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle
Dorman L. Commons (arrived 4:25)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Robert E. Williams, Jones Methodist Church; Jac Vanden Berg, Miyako Hotel; M. Kawakami, Kintetsu; Patty Wada, Tomoko Nakamura, Hokubei Mainichi; Don Misumi, Japanese Community Progressive Alliance; Jim Kajiwera, NCRR; J.B. Phillips, Laguna Grove Development, Inc.; Mary Helen Rogers, Western Addition A-2; Sandy Mori, Japantown; M. Ashina, Kinokuniya Bookstore; E. Lee, ALC; Ben Nakajo, Ron Iwamusa, Cherry Blossom Festival Committee; Ocie Mae Rogers, Helen C. Jones, T. Higaki, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of June 4, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On June 12, 1985, Staff attended, along with President Leroy King, the second meeting called by a group of Japantown

organizations at which executives of American Multi Cinema were present. At the first meeting, a month ago, the original plans were presented. At the last meeting, Multi Cinema representatives showed their revisions made to the plans for the multi-screen theatres to be installed in the remodeled Kabuki Theatre. The major revision was the inclusion of a theatre which will accommodate community cultural and social events, such as the Cherry Blossom Festival Queen contest with 785 seats, and preserving the dressing room, mechanical stage lifts, and a stage of approximately 27' x 65'. This theatre facility would also provide suitable space for dramatic and other live performances. A very intricate model which could be disassembled level by level was shown to the audience, which numbered in excess of 150 interested persons from Nihonmachi as well as the surrounding blocks, including a contingent from Jones Memorial Homes. The community is further evaluating and discussing the proposal and has not yet reached agreement. A number of concerns were expressed about parking and the effect on the neighborhood by traffic. The Japantown organizations anticipate caucusing on the revised plans of Multi Cinema to formulate a recommendation to the Commission and Staff.

- (b) The Board of Supervisors were to vote on the Downtown Plan yesterday, but continued adoption for one week. However, numerous motions were introduced at that time on exemptions of the Redevelopment Agency to that Plan.
- (c) Staff was to give a status report on the CDBG-funded activities of the Redevelopment Agency to the Citizens Committee on Community Development last night as 5:30 p.m. However, the meeting was cancelled, due to the unexpected death of Jim Johnson, the Executive Director. The Agency was very saddened to learn of Jim's passing. Staff has been working with him since 1973 on the Agency's budget and he will be missed very much. Funeral Services will be held this Friday, June 28, at 12:00 at Glide Memorial Church. It is suggested this meeting adjourn in his memory.
- (d) The Senate Committee sent over to the House a proposal which included terminating Community Development Block Grant (CDBG) funds. The House's program went over yesterday and included cutting the CDGB by 20% and terminating that program in 1987; cutting rural housing by 50% terminating the Housing Development Action Grant, putting a two year moratorium on rental rehabilitation; cutting public housing subsidies to \$400 million, (the House originally supported \$1.4 billion); and cutting general revenue sharing by 25%. There have been moves to cut general revenue sharing from the National Budget this year. On the national level, NAHRO, the National League of Cities and the National Community Development Directors Association will all be working to try to protect the interests of the cities, as necessary and so that cuts are not any more onerous than they need to be. Obviously that has vast implications for the City and County of San Francisco and for use of community development funds.

NEW BUSINESS

- (a) Resolution No. 190-85 requests authorization of a Second Amendatory Agreement to the LDA with Kintetsu Enterprises Company of America (Kintetsu) which permits modifications of the Miyako Hotel located in the Japanese Cultural and Trade Center (JCTC) and an encroachment into a small area of open space in the Western Addition A-1.

Mr. Kernan reported on item (a) as follows. For the purpose of informing the public of proposed changes in the JCTC, a meeting was held on February 25, 1985, to elicit from JCTC owners and the Nihonmachi Community Development Corporation any plans for changes in the Center and to obtain public response to such changes. Approximately twenty people attended, including representatives of seven of the nine owners of properties. Three presentations were made including one by Kintetsu who propose to modify the Miyako Hotel by relocating the basement restaurant and bar to the first floor lobby area to allow direct access to Post Street and to convert the vacated basement space into meeting rooms. Although the proposed exterior design changes resulting from the Post Street access to the restaurant and bar are visually significant and will eliminate a small area of open space and landscaping, they are in keeping with the overall hotel design. Input was requested from NCDC and the newly formed Japantown Development Association who advise they have no objection to the proposed modifications.

Mr. Commons arrived at this time, 4:25 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-85 BE ADOPTED.

A discussion ensued between the Commissioners, staff and Mr. Nobu Nakamura, architect for Kintetsu regarding the design modifications for the Miyako Hotel.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT THE ORIGINAL MOTION TO ADOPT RESOLUTION NO. 190-85 BE RESCINDED.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT ITEM 9 (a) BE CONTINUED FOR ONE WEEK SO THAT THE FINAL DESIGN COULD BE PRESENTED TO THE COMMISSION BEFORE APPROVAL OF THE SECOND AMENDATORY AGREEMENT.

- (b) Resolution No. 191-85 requests Reaffirmation of the position of the Redevelopment Agency as to the existing use of the Peace Plaza in the Japanese Cultural and Trade Center (JCTC) in the Western Addition A-1.

Mr. Kernan reported on item (b) as follows. Although no proposals for the development of the Peace Plaza have been submitted to the Agency, it has been brought to staff's attention that representatives of a purchaser of a privately owned portion

NEW BUSINESS (continued)

of the Plaza has presented such proposals to various Nihonmachi community organizations. Since a proposal has not been received, staff was unable to initiate the process of soliciting public input. Nevertheless, the community, because of its apprehensions about the future of the Plaza, obtained support from various groups, including the Board of Supervisors, to preserve the Plaza as open space. Following a review of rights under the LDA covering the Center, it has been determined that the Agency has control as to changes in uses shown on the original JCTC Development Plan which includes walkways, malls and plazas. In view of the LDA, the origins of the Center and its name, it is considered that the Center should continue to have a Japanese ambience to the extent this relates to the uses shown on the original development plan. This proposed resolution reaffirms that the Peace Plaza be maintained in its existing use.

Mr. Ben Nakajo, representing the Cherry Blossom Festival Committee, spoke in support of preserving the Peace Plaza as open space and listed a number of planned forthcoming Japanese cultural events to be held at the Plaza.

The Commissioners expressed concern at the lack of maintenance of the Peace Plaza and discussed ways this could be remedied. They urged that efforts be made by the community to provide proper maintenance, which efforts would be supported by the Commission.

Mr. Nakajo indicated that this issue had raised the level of consciousness of the Japanese community and the Commission's concerns would be conveyed to the community.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-85 BE ADOPTED AS AMENDED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO WRITE A LETTER ON BEHALF OF THE AGENCY TO THE SAN FRANCISCO PARK AND RECREATION DEPARTMENT URGING THAT IT PROPERLY MAINTAIN THE AREA OF THE JAPANESE CULTURAL AND TRADE CENTER PEACE PLAZA UNDER ITS JURISDICTION.

Mr. Ron Iwamasa, presented a petition with 5,500 signatures supporting the existing use of the Peace Plaza as permanent open space. He also indicated that discussions had commenced with the Park and Recreation Department and the Open Space Committee concerning the purchase of the Peace Plaza.

- (c) Resolution No. 192-85 requests authorization of a Letter Agreement effective July 1, 1985 to June 30, 1986, in an amount not to exceed \$81,000 for Building Inspection Services with the Department of Public Works in the Western Addition A-2, Yerba Buena Center and Rincon Point-South Beach.

Mr. Kernan reported on item (c) as follows. The applicable Redevelopment Plans require that the Agency perform property inspections for all structures proposed to be retained and

NEW BUSINESS (continued)

rehabilitated. The combined knowledge of staff rehabilitation counselors and Bureau of Building Inspectors who perform these inspections assures a thorough property inspection and a reliable statement of anticipated rehabilitation costs. The Agreement provides for the services of a full time building inspector at a cost of \$74,250 and for an electrical inspector and a plumbing inspector on an "as needed" basis at an estimated total cost of \$6,750. It is proposed to allocate \$58,000 to WA-2; \$11,500 to YBC; and \$11,500 to Rincon Point-South Beach.

Mr. Mardikian inquired how much more relocation was left in the Western Addition A-2 and Earl Mills, Acting Senior Deputy Executive Director indicated approximately 20 residential and 10 businesses.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-85 BE ADOPTED.

- (d) Resolution No. 193-85 requests authorization of a Second Amendment to the Existing Letter Agreement with the Department of Public Works (DPW) for continuation of Rehousing Inspection Services for all Project Areas.

Mr. Kernan reported on item (d) as follows. The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 requires that displaced persons be relocated to housing that meets all local City codes and experienced environmental inspectors provide a thorough inspection of all potential rehousing units to ensure compliance with these codes. Funds for inspection services are budgeted on the basis of a percentage of the anticipated displacements, however, many of those displaced are assisted in obtaining subsidized housing which do not require inspections. In June 1983 a Letter Agreement was authorized in an amount of \$12,250 for the period July 1, 1983 to June 30, 1984 and in June 1984 was extended to June 30, 1985, at which time approximately \$8,288 remained in the original Agreement. The DPW has agreed to extend the present Letter Agreement until June 30, 1986 at a rate of \$56.21 per inspection, rather than the current \$46.07. Staff considers that the balance of approximately \$5,755 in the current account may be sufficient until June 30, 1986, however, should these monies be exhausted before the end of the fiscal year, a request for additional funds will be forthcoming.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-85 BE ADOPTED.

- (e) Resolution No. 194-85 requests authorization to apply for reprogramming of \$250,000 in Community Development Block Grant Funds for pre-development and development of twenty expandable homes on Innes Avenue in Hunters Point.

Mr. Kernan reported on item (e) as follows. The homes would be virtually identical to two demonstration expandable homes built

NEW BUSINESS (continued)

last year on Innes Avenue and would be for moderate-income households. Pre-development costs are estimated to be \$50,000 and the remaining \$200,000 would be used as the Agency's share of the construction costs. The balance on construction expenses would be paid from the proceeds of a commercial bank loan. It is anticipated, based upon the successful experience of the two demonstration homes, that the twenty homes will market readily at a substantially lower price than any other housing development in San Francisco. The price of the units will not be directly competitive with other private developments taking place in the area, but will further broaden the market being served in Hunters Point. Specific expenditures in excess of \$1,000 and construction and sales contracts will be brought before the Commission for consideration. Funds would be replaced upon the sale of the homes.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-85 BE ADOPTED.

- (f) Resolution No. 195-85 requests authorization of a time extension from July 3, 1985 to August 7, 1985, to the Disposition and Development Agreement (DDA) with YBG Associates in connection with Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. This extension would be part of the previously approved Second Amendment to the DDA which extended the time for selection of the Gardens' Landscape Architect and the Cultural Architect. The original DDA Performance Schedule, which called for the Agency's notification of the selection of both architects by May 18, 1985, was subsequently extended to July 3, 1985 to permit a more comprehensive search. Negotiations with the proposed Gardens Architect and the search for the Cultural Architect have taken more time than anticipated, resulting in the requested time extension to August 7, 1985, to complete the process. The Developer is agreeable to this extension which is considered to be in the Agency's interest.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-85 BE ADOPTED.

- (g) Resolution No. 196-85 requests authorization to extend Exclusive Negotiations, until September 4, 1985, with Western Commercial Partnership (WCP) for ECR Parcel 3A(708-B) located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Kernan reported on item (g) as follows. It is anticipated that the continuing negotiations with WCP with respect to density of the subject parcel can be completed within the time of the requested extension.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-85 BE ADOPTED.

- (h) Resolution No. 197-85 requests authorization to extend Exclusive Negotiations until September 4, 1985, with Western Commercial Partnership (WCP) for Designation as Purchaser of Parcel 725-D located on the east side of Fillmore Street between O'Farrell and Ellis streets in the Western Addition A-2.

Mr. Kernan reported on item (h) as follows. WCP proposes to replace the current \$1.2 million Agency deposit with Safeway, assume the Agency's obligation to Safeway to pay the remainder of the purchase price and accept title on completion of the building and provide for 80 off-site parking spaces for office tenants, all as required by Safeway. However, Safeway is not prepared to accept this substitution until other obligations are satisfied and the building is completed. An agreement draft is proposed whereby collateral obligations to the Agency are to be undertaken by WCP to provide preferential investment and leasing opportunities to local residents. The requested extension will provide time for preparation of a final draft agreement by the time the building is complete.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-85 BE ADOPTED.

- (i) Resolution No. 198-85 requests authorization of an expenditure budget of \$17,724,552 for the calendar year 1986 and to submit a request for funds to the Mayor's Office of Community Development (OCD) for Community Development Block Grant Funds (CDBG) by June 28, 1985.

Mr. Kernan reported on item (i) as follows. It is proposed to finance the CDBG related budget expenditures: \$1,711,497 from CDBG funds to be reprogrammed; \$2,077,363 from property management and other income; \$3,544,530 from estimated land sales from Agency-owned land or buildings, excluding YBC. An 1986 CDBG allocation of \$438,088 will also be requested to fund approximately 80% of the staff and overhead costs associated with providing relocation services on behalf of the City.

Mr. Commons indicated that he would abstain from voting on this item because he had been on vacation and had not had the opportunity to study the matter.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Mr. Kernan indicated a desire that the Agency, through its Commission, express to the Board of Supervisors a position

MATTERS NOT APPEARING ON THE AGENDA (continued)

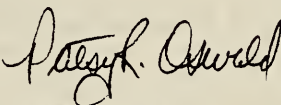
regarding its compliance with the intent and spirit of the Downtown Plan.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (a) would be continued to allow time for further consideration of the matter. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned in memory of Jim Johnson. The meeting adjourned at 5:35 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

August 27, 1985

5

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JULY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of July, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle (Arrived 4:19 p.m.)
Charlotte Berk

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Rogers and Nobu Nakamura, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of June 11, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Mr. Kernan reported on the Downtown Plan and the Commissioners inquired about its effects on Redevelopment. Mr. Kernan indicated that staff would be analyzing the Plan and would inform the Commission of their findings.
- (b) An addition to the Agency for July 9 will be a Workshop to present the proposed development of Bayview Triangle by Future Perfect, Inc. located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues, India Basin. This workshop will be held at the end of the agenda in the fourth floor conference room

UNFINISHED BUSINESS

- (a) Resolution No. 190-85 requests authorization of a Second Amendatory Agreement to the LDA with Kintetsu Enterprises Company of America which permits modifications of the Miyako Hotel located in the Japanese Cultural and Trade Center (JCTC) and an encroachment into a small area of open space in the Western Addition A-1.

Mr. Kernan reported on item (a) as follows. This item was continued from last week's meeting at the request of the Commission, so final design plans could be reviewed before authorizing the Second Amendatory Agreement. The developer's and Agency staff architects have been working to complete the final design, but are not yet ready. The developer is requesting that this item be continued one more week to the meeting of July 9 to allow time to complete the final design plans.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at the developer's request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 199-85 requests authorization to write-off three delinquent vacated accounts in the amount of \$2,429.13 in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. The Agency's Rental Policy and Federal Regulations provide for write-off of delinquent accounts when there are no reasonable prospects of collection. The subject accounts all fall under this category and have been included in those sent to the collection agency, Transworld System, Inc., since the last write-off in December 1984. Although payments may be received in the future on accounts remaining with the collection agency, accounting procedures require that they be written off at this time. Rental accounts are regularly monitored by staff and contact made with delinquent tenants which generally results in full payment being made or instigation of a payment schedule. Rent collection for all projects continues to average over eighty percent.

Mr. Commons indicated that he assumed this was an accounting procedure and that efforts would still be made to collect the money owed. Mr. Kernan confirmed that this was correct.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-85 BE ADOPTED.

- (b) Resolution No. 200-85 requests authorization for George Davitt to sublet one parking space to Third Street Gateway Associates for the placement of a sign on the southeast corner of Third and Harrison Streets, Block 3763, in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (b) as follows. In May 1985 an LDA was authorized with Third Street Gateway to construct a 38,000 square foot office building with 91 parking spaces. Mr. Davitt has been renting the current parking lot from the Agency since 1976 and under the terms of the Commercial Rental Agreement cannot sublet without prior written consent of the Agency. Third Street Gateway has requested to sublet one parking space for the purpose of placing a sign, the design of which has been approved by architectural staff. The developer has agreed to reimburse the parking lot operator at \$60 per month. There will be no income loss to the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-85 BE ADOPTED.

- (c) Resolution No. 201-85 requests authorization of a Fourth Amendment to the Rental Agreement with Interstate Parking Company for the use of the parcel located on the south side of Folsom Street between Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. In order to reduce an accrued rent arrearage of \$14,309, an interim restructuring agreement was authorized, effective December 1, 1984 until April 1, 1985, with monthly gross revenue allocated 80 percent to the Agency; 15 percent to parking tax; and 5 percent to Interstate for operating expenses and profits with receipts being reviewed each month by the Agency. The agreement was subsequently extended to July 1, 1985 to provide additional time for the company to regain former patrons lost when the lot was vacated during the Democratic convention and to attract new customers. It is anticipated that the current arrearage of \$7,826.89 can be cleared in approximately five months and Mr. Jefferson, President of Interstate, has requested the present arrangements be continued until that time. Once the arrearage has been cleared it is proposed to continue the rental agreement at a monthly rate of 70 percent of gross receipts which is comparable to similar lease situations in the City. As a condition of this arrangement, Mr. Jefferson has agreed to contribute \$4,859 to the Agency which equals income lost during the time the lot was vacated. The City has billed the various users for both restoration costs and for income lost by Interstate, however, there is no assurance that payment will be received in the near future. Upon receipt, Mr. Jefferson has agreed to turn the total payment over to the Agency. This payment will be over and above the monthly payments by Interstate in conformance with this Fourth Amendment which extends the rental agreement in the form previously approved from July 1, 1985 until the rent arrearage has been paid or for five months, whichever comes first, on the basis of 70 percent of gross sales for the balance of the term of the agreement.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-85 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 202-85 requests authorization of the Application and Berth License Fees and the Rules and Regulations for South Beach Harbor in Rincon Point-South Beach.

Mr. Kernan reported on item (d) as follows. Work on the first phase of the harbor is progressing slightly ahead of schedule and is expected to be completed by mid to late summer of 1986. It is intended to pre-rent as many berths as possible prior to the harbor opening. Three mass mailings and media advertising are planned for the months of July, August and September 1985. Berth license application packages will be sent to interested parties. The advertising campaign will focus on a "Berth Day" event to be held on September 28, 1985 at Pier 40 when applicants will have the opportunity to select and reserve berths on a lottery basis. The fees for permanent berths are based on the average square footage for the various lengths of berths and will approximate \$1,944,000 annually based upon a 95 percent occupancy rate, which amount is consistent with the revenue requirements of the project's financing plan. Funds in addition to berth license fees will be required to meet debt and operating requirements and are expected from the harbor tax increments and/or future rent from an improved Pier 40. The proposed Rules and Regulations are based upon various harbor rules published by other harbors in the Bay Area with the only major difference being they do not permit the licensee to transfer a berth upon sale of a boat. This provision will allow greater public accessibility to berthing opportunities. This provision could only be changed with the concurrence of the Commission as would be the case with the amounts charged for application and berth license fees. It is proposed that all other rules could be modified by the Executive Director or his designee.

Mr. Newman inquired about the boat harbor at Pier 39 and noted his concerns about the pricing of the berths and if the South Beach Harbor would be able to compete with other boat harbors in the bay area. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that Pier 39 was having problems for several of the following reasons: condominium type, difficult parking and access; surge problem; great amount of wind. As far as the pricing of the South Beach Harbor berths, staff believes that by the time the boat harbor is completed the other boat harbor's prices will be in a similar range.

Mr. Lee indicated that he was glad to see the regulations included the non-transfer of the boat berths, but requested there should be a certain time, such as thirty days, to report the sale of a boat to the Harbor Master. Mr. Kernan indicated that this would be put into the regulations.

Mr. Cannizzaro indicated that staff memorandum dated June 26, 1985, incorrectly showed transient berths as \$0.35 per lineal foot of boat per day, however, this should read \$.35 per foot of berth assigned per day, as shown in the Fee Schedule.

NEW BUSINESS (continued)

At this time Mr. Arnelle left the meeting, 4:45 p.m.

ADOPTION: IT WAS MOVED BY MR NEWMAN, SECONDED BY MR. LEE , AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-85 BE ADOPTED.

- (e) Resolution No. 203-85 requests authorization to establish the Agency's contribution to the Employee and Retiree Health Plans effective August 1, 1985.

Mr. Kernan reported on item (e) as follows. Under the Public Employees' Retirement System (PERS) the Agency's contribution to these plans has been set since 1975, at a level equal to the State's contribution, which was based upon a formula written into State Law. However, the State has commenced negotiating contribution levels with the various employee unions. Language was included in the most recent agreement with Local 790 and Local 21 to the effect that the Agency's contribution to health plans would be in accordance with the formula established by the State. The rates effective August 1, 1985 represent a 6.3 percent increase as compared to 13 percent last year. It is considered that the PERS administered health plans continue to provide employees with the best option for medical coverage and affords a wide range of plan choices at a low cost without the need for negotiations with individual carriers.

Mr. Arnelle returned to the meeting at this time, 4:50 p.m.

Mr. Commons posed several questions regarding premium rates and the cost increase to the Agency which were clarified by Mr. Nybakken, Administrative Services Officer.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Requests authorization to submit an offer to purchase the Navy Road property adjacent to the Hunters Point Redevelopment Project Area from the General Services Administration (GSA) prior to receipt of a Preliminary Title Report.

Mr. Kernan reported on item (a) as follows. On April 30, 1985, purchase of the subject parcel for approximately 300 units of housing was authorized. The formal offer of purchase still has not been completed because the GSA were slow in delivering the property description for the use by the Agency title company in initiating title action. GSA has informally advised that there is some concern about withdrawing the property from the market and are anxious that the Agency proceed immediately with the sale. They are also unwilling to have the offer contingent upon a title report. It has therefore been attempted to obtain the title report prior to making the offer, it is not possible to do this and meet GSA's suggested time schedule in order to preserve the ability to buy it. It is therefore suggested that the offer

MATTERS NOT APPEARING ON THE AGENDA (continued)

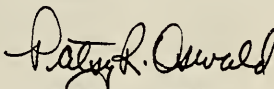
to purchase should not be dependent upon the title report but upon conditions that GSA find acceptable. A risk would be run, although it is believed to be a small risk, in that should the title not prove to be marketable, resulting in a decision not to purchase, then the risk would be limited to a good faith deposit of \$55,000. Authorization is requested to proceed with this condition and if the Agency does not proceed there is some jeopardy of losing the transaction. The Commission expressed their concern about the Agency putting up \$55,000 without a title report on the property and also the fact that GSA has the option of returning or not returning the deposit. It was the consensus of the Commission to continue this time for one week to see if the title report is received before the July 12, 1985, deadline.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, that item (a) would be continued for one week. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to the Fourth Floor Conference Room for a closed session on personnel. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

August 6, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JULY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of July, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle
Charlotte Berk (arrived 4:05 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Nordoru Nakamura, Architect, Kintetsu Enterprises Company of America; Messrs. Rhody A. McCoy, Jr. Rhody A. McCoy, III, M. Lazovich, M. Montgomery, A. Grossman, C. Miller, Furture Perfect, Inc., Ocie Mae Rogers, interested citizen.

Representing the press was Jim Kelly, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matter:

- (a) A trip arranged for the Commissioners today to view a minesweeper called the LUCID, offered free to the Agency by the owner, was cancelled since it had been moved to drydock earlier than anticipated and would then be moved to Alameda. This benefit would be a tax deduction and it was hoped to find a way to incorporate the boat into the pier and development in the South Beach Harbor. Prior to acceptance, a program for investigation to determine any potential problems will be formulated and brought before the Commission for consideration. Mr. Commons commented that the matter should be considered carefully before acceptance of the boat because of the expensive upkeep involved.

Ms. Berk arrived at this time, 4:05 p.m.

UNFINISHED BUSINESS

- (a) Resolution No. 190-85 requests authorization of a Second Amendatory Agreement to the LDA with Kintetsu Enterprises Company of America which permits modifications of the Miyako Hotel located in the Japanese Cultural and Trade Center (JCTC) and an encroachment into a small area of open space in the Western Addition A-1.

Mr. Kernan reported that this item was continued from last week's meeting at the request of the developer and the Commission to allow time for completion of the final design. Mr. Nakamura, Architect for Kintetsu, updated the Commission with regard to the proposed modifications, the design of which had been approved by Agency architectural staff.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 204-85 requests authorization of an Agreement for Legal Services, effective June 25, 1985, with McDonough, Holland & Allen, in a contract amount not to exceed \$50,000 in connection with all Redevelopment Project areas.

Mr. Kernan reported on item (a) as follows. Through one of its partners, Mr. Joseph Coomes, this firm has been providing excellent legal services in connection with YBC. That same level of expertise, background and experience is now needed for Fillmore Center negotiations in the Western Addition A-2 and Tax Increment Financing for all project areas. The proposed agreement provides that only such services actually performed will be billed, with no retainer fee or minimum billing required. The hourly rates, which are in conformance with prevailing rates in the Bay Area, are considered to be fair and reasonable. It is proposed that the agreement be effective June 25th since Mr. Coomes' advice has already been sought with respect to these matters.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-85 BE ADOPTED.

- (b) Resolution No. 205-85 requests authorization to pay a premium in an amount not to exceed \$2,500 to Levinson Bros., Inc., for additional liability insurance in connection with Yerba Buena Gardens in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. The City will soon vacate and quit claim to the Agency portions of Stevenson and Jessie Streets, an easement on Stevenson Street, subsurface street areas on portions of Mission and Stevenson Streets and certain airspace over Mission, Howard and Minna Streets that are

NEW BUSINESS (continued)

necessary to carry out the provisions of the DDA with YBG Associates. In addition to coverage under the \$5 million project liability insurance policy, an endorsement naming the City as an additional insured is required for comprehensive general liability coverage including explosion, collapse and underground coverages. Upon authorization of this endorsement by the Commission, the City has agreed to transfer the deeds to the Agency on condition that the coverage be in place when the lease to YBG Associates is executed and construction activities begin, which is expected to occur in October 1985. The endorsement, which can be obtained when required, would be effective from commencement of construction until the project liability policy is either renewed or rebid in April 1986. The estimated annual premium of \$2,500 would be pro-rated for the actual term that the endorsement is in place.

Mr. Newman noted that, although he had no financial interest in the Levinson firm, he does hold an insurance license with them and would therefore abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 206-85 requests authorization for Earl P. Mills, Acting Senior Deputy Executive Director, to travel to Indianapolis, Indiana and Dayton, Ohio, to review housing projects developed by Donald Tishman/Housing Associates, Inc., from July 17-19, 1985, at a cost not to exceed \$1,900.

Mr. Kernan reported on item (a) as follows. It is considered that it will be of great assistance in connection with the Fillmore Center negotiations to have Mr. Mills review first hand the quality of construction and management practices at several Housing Associates' rental housing projects.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-85 BE ADOPTED.

- (b) Resolution No. 207-85 requests authorization to substitute Art Browman in place of T.O.I., Inc. for the demolition subcontract work under Contract I - Harbor with Riedel International, Inc., in Rincon Point-South Beach.

Mr. Kernan reported on item (b) as follows. The subject contract was awarded to Riedel in November 1984 and provides for the construction of the South Beach small boat harbor. Riedel is now requesting that T.O.I., the subcontractor listed in the original contract bid, be substituted based upon T.O.I.'s insolvency and failure to acquire a California contractor's license within the time period required by law. In accordance with Section 4107 of the California Government Code, which permits the awarding authority,

MATTERS NOT APPEARING ON THE AGENDA (continued)

namely the Agency, to approve such a substitution if certain notice provisions of the law are satisfied, the required notice was issued to T.O.I. dated July 8, 1985. It is anticipated that T.O.I. will either agree to the substitution or fail to respond within the five working days required by the California Code. If they protest the substitution a hearing process, as provided for by law, will be initiated as warranted. Riedel has substantiated their grounds for substitution to staff's satisfaction. Since time is of the essence in this contract, it is considered to be in the best interests of the Agency that the requested substitution be permitted immediately upon satisfaction of legal requirements.

Mr. Lee expressed the opinion that prior to approving this substitution, a sub-contractor's lien release form should be secured from T.O.I. by Riedel, whereby the Agency would be held harmless in the event of legal problems arising in the future. Leo Borregard, Agency General Counsel, indicated that a statement in writing had been supplied by Riedel, which falls within the legal grounds for substitution under Section 4107 of the Government Code. There is no reason why Riedel would not hold the Agency harmless against the substitution and this could be requested. However, the only problem in following this procedure is that if a delay is incurred in obtaining a release form from T.O.I., then there will be a delay in proceeding with the demolition work. The Agency has a bond from Riedel covering mechanics liens and unpaid claims, and if T.O.I., for some reason, refused to sign off, it would not be advisable to delay continuing with the demolition work with an appropriate sub-contractor. Mr. Lee indicated that he was satisfied as long as the Agency is covered by Riedel and would be named harmless as to any future liens.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-85 BE ADOPTED.

President King announced that the meeting would be recessed to a closed session on litigation after which the meeting would be reconvened in the fourth floor conference room for item (c). The meeting recessed at 4:27 p.m. The meeting reconvened in the fourth floor conference room at 4:40 p.m. with the same roll call.

NEW BUSINESS

- (c) Workshop to provide information regarding the revised proposed development of Bayview Square by Future Perfect, Inc. on the parcel located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenue in the India Basin Industrial Park.

Mr. Kernan reported on item (c) as follows. In June 1984 an LDA, with a conveyance date of February 13, 1985, was authorized for construction of a two-story building for commercial use plus structured parking. First and Second Amendatory Agreements were

NEW BUSINESS (continued)

subsequently approved extending the Performance Schedule which currently calls for submission of final construction documents by July 10, 1985. The developer has indicated that this revised date cannot be met because a major revision of plans is contemplated and it is also planned to change architects again. This revision includes a change in the orientation of the buildings and elimination of underground parking which will require a plan variance now under review by architectural staff. There are a number of architectural concerns, however, it is considered that these issues can be successfully resolved during the schematic and preliminary design stages. In March 1985 the Board of Supervisors approved a resolution inducing the developer to seek bond financing of \$10 million and offering to act as issuer of bonds properly underwritten. To meet the expected requirement of bond buyers, the development cost will be reduced from \$14 to \$10 million. In view of possible Congressional legislation eliminating Industrial Development Bonds and the expectation that IDB's will not be tax free after January 1, 1986, the feasibility of this development financed by tax free bonds requires issuance before the end of the year. However, it is not clear that an issue attractive to buyers can be offered within that time limit. The developer has indicated that other financing might be available, but does not have a commitment at this time. Under the LDA the price limitation for the subject parcel expires December 5, 1985, and if conveyance of the land does not occur before that date a reappraisal will be required which will probably result in a higher land value. The developer has been so advised and hopes to meet the conveyance date. It is staff's opinion that this pioneering effort by a minority developer should continue to be supported and the exploration of the feasibility of attracting capital by sale of tax free bonds should be encouraged. Staff will submit a recommendation for consideration by the Commission at a future date.

Dr. Rhody McCoy introduced Future Perfect's architect who presented the design concept for the development.

At this time Mr. Commons left the meeting, 5:15 p.m.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:36 p.m.

Respectfully submitted,

Patsy R. Oswald
Secretary

APPROVED

October 8, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF JULY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of July, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

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and the following was absent:

PUBLIC LIBRARY

H. Jesse Arnelle (arrived at 4:40 p.m.)
Melvin D. Lee (arrived at 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Janier San Jule, Fillmore Associates Inc., Ocie Mae Rogers, Hunters Point; R. Lieberman, Broadmoor Hotel; Jonathan Cloud, Sunwrights Multinational Inc.; Robert Herman, Robert Herman Associates; John H. Yerman, Fillmore Merchants Association; John Sanger Pettit and Martin; Doug Wright, Public Utilities Commission; Jane Winslow, Embarcadero Citizens Committee.

Representing the press were: Gerald Adams, San Francisco Examiner; Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of March 5, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of March 12, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of April 2, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session of May 21, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session of June 4, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of June 25, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the closed session of July 2, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Walter Newman and Melvin Lee were sworn in today by the Mayor to continue as Commissioners of the Redevelopment Agency.
- (b) There was a topping-off ceremony today at the St. Francis Place Apartment Complex. This is one of the few "middle income" housing developments under construction in the City.
- (c) Jerry and Johnny's bar has completed the move into ground floor space in the Williams Building at 105 Third Street and re-opened for business on July 15, 1985. The date for the formal "grand re-opening affair" has not been set.
- (d) It is intended to continue today's meeting until 2:30 p.m., July 23, 1985 for the purpose of inspecting various development sites in the India Basin and Hunters Point areas.

Mr. Lee arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Fourth Amendatory Agreement for Parcel 689-B in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 208-85 requests authorization of a Fourth Amendatory Agreement which increases the purchase price; amends the permitted uses; and extends the construction completion date by four months to the LDA with Irene Lieberman for the parcel located on the northeast corner of Gough and Post Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. In December 1982 an LDA was authorized with the developer to construct a park for use of the elderly residents of her contiguous 140 unit Broadmoor Hotel at 1499 Sutter Street. First and Second Amendatory Amendments were subsequently approved in 1983 extending the conveyance date, both due to delays in securing a building permit. A Third Amendatory Agreement was authorized in March 1984 to permit redesign of plans required by the Bureau of Building Inspection. Mrs. Lieberman now proposes to convert the planned storage area under the park into office space and expand the lobby space for the recreational use of tenants. The LDA restricts use of the site to a park and this amendment to permitted uses is being requested to allow office space under the park. The developer has agreed to pay the additional \$50,000 any change of use requires under the LDA, plus interest from the conveyance date of June 8, 1984 and, in addition, the Liebermans have contributed \$100,000 to the A-2 Housing Fund. They have also satisfactorily rehabilitated the Kenmore and Broadmoor hotels located on Sutter Street in accordance with OPA requirements.

RULE OF CHAIR: President King indicated that subject to the objection of any Commissioner the Public Hearing would be continued until later in the meeting when staff would present design plans and drawings to the Commission. There being no objection, it was so ordered.

- (b) Public Hearing to hear all persons interested in a Variance from the open space and off-street parking requirements of Parcel 687-C(1), 1622 Laguna Street, in the Western Addition A-2.

Resolution No. 209-85 requests authorization to permit Variances from the open space and off-street parking requirements of the Western Addition A-2 Redevelopment Plan for 1622 Laguna Street.

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 687-C(1), 1622 Laguna Street, in the Western Addition A-2.

Resolution No. 210-85 requests authorization of an LDA with Sunwrights Multinational, Inc. for 1622 Laguna Street in the Western Addition A-2.

President King opened the Public Hearings to hear all persons interested in these matters.

Mr. Kernan reported on item (b) and (c) as follows. This structure was designated for acquisition and demolition under the Redevelopment Plan, however, the development standards formulated under the Plan were intended to apply to new development at this location. Had the building been originally designated for retention under the Plan, the open space and

NEW BUSINESS (continued)

off-street parking requirements would not apply since the Plan provides that existing residential uses of properties designated as eligible for retention may be continued if appropriately rehabilitated. With rehabilitation of the existing structure as now proposed, the Plan standards cannot be accomplished without demolishing a substantial portion of the building. The proposed variances would reduce the open space requirement from 180 to 143 square feet and the off-street parking spaces from one to none. One of the purposes of the plan was to provide for retention and rehabilitation of certain existing structures that were then considered feasible for rehabilitation. If these variances are not obtained then it is highly probable that rehabilitation will not take place and the building demolished for new development. In March 1985 exclusive negotiations were authorized for rehabilitation of this two-story Victorian building that was constructed in 1875 as a single family dwelling. Satisfactory evidence of financial capacity to undertake the project has been provided. The LDA Performance Schedule calls for submission of evidence of financing by April 23, 1986 and conveyance of the site by July 2, 1986.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-85 BE ADOPTED.

- (d) Resolution No. 211-85 requests authorization to extend the conveyance date, until September 18, 1985 to the LDA with Herman and Irene Yarbrough and Lillie M. Collins for the building located at 1401-1405 Gough Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In July 1984 an LDA was authorized for rehabilitation of this three-story building as five residential condominium units. In April 1985 the conveyance date was extended to July 16, 1985, to allow time for the developers' architect to provide a re-design of the second means of egress for two units as required by the Bureau of Building Inspection (BBI). Although this issue has now been resolved, the BBI further requires certain structural details during its processing of the building permit application. After final approval of the plans by the BBI, the permit application will be routed to various City Departments as part of the normal permit process. It is expected completion of the overall permit process will take an additional one to two months and therefore the scheduled July 16th conveyance date cannot be met, resulting in the requested extension.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-85 BE ADOPTED.

NEW BUSINESS: (continued)

- (e) Resolution No. 212-85 requests authorization to extend Exclusive Negotiations, until September 18, 1985, with Fillmore Associates for the parcel located at the southwest corner of Fillmore and O'Farrell Streets in the Western Addition A-2.
- (f) Resolution No. 213-85 requests authorization of an Eighth Amendatory Agreement to extend the Performance Schedule by approximately 60 days to the LDA with the Third Baptist Church of San Francisco, Inc. for the parcel on the block bounded by Eddy, Fillmore, Steiner and Turk Streets in the Western Addition A-2.

Mr. Kernan reported on items (e) and (f) as follows. In December 1983 exclusive negotiations were authorized with Fillmore Associates for the development of 164 market-rate condominiums with ground floor commercial space. In May 1982 an LDA was authorized with the Third Baptist Church for a commercial/office building, school and sanctuary. In February and April 1985 extensions were approved to the exclusive negotiations with Fillmore Associates and to the LDA with Third Baptist Church to provide time for review of an unsolicited proposal for development of the Fillmore Center from Donald Tishman. Since review of this proposal continues, these further extensions are being requested. Both developers have entered into preliminary agreements with Mr. Tishman to act as co-developers in the Fillmore Center venture and have acknowledged that, in the event of approval of the Tishman proposal, their rights will need to be terminated in favor of an LDA for that comprehensive development. Appropriate language to that effect has been incorporated in the exclusive negotiations resolution and in the amendatory agreement.

Following discussion between the Commission, Executive Staff and John Sanger and Pettit and Martin, the following resolutions were adopted.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-85 BE ADOPTED.

- (g) Resolution No. 214-85 requests authorization to apply to the Mayor's Office of Housing and Economic Development (MOHED) for a Mortgage Revenue Bond Commitment of \$1,264,000 and expenditure of an amount not to exceed \$38,000 in application and commitment fees for twenty expandable homes on Innes Avenue in Hunters Point.

Mr. Kernan reported on item (g) as follows. Staff recommendations that this item be held, as they are evaluating whether the current bond issue or a soon to be offered bond issue might provide a lower interest rate for these homes.

RULE OF THE CHAIR:

President King indicated that subject to the objection of any Commissioner that item (g) be held over to a future date at staff request. There being no objection, it was so ordered.

Mr. Arnelle arrived at this time, 4:40 p.m.

- (h) Resolution No. 215-85 requests authorization of a second extension, for approximately 71 days, to the Agreement to Lease with YBG Associates, Yerba Buena Center.

Mr. Kernan reported on item (h) as follows. The Agreement to Lease dated December 19, 1984, stipulated that, unless extended, the Central Block 3 (CB-3) Project Lease be amended and other documents be approved and related actions taken by April 18, 1985. As an essential first step to these actions was the consent of the Moscone Convention Center Bond Trustee to remove the rooftop surface from the Project Lease. This consent has now been obtained, however, the process of amending the lease and related actions will take additional time, resulting in the requested second extension from July 18 to September 27, 1985. This proposed extension will not delay the overall development of YBG.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-85 BE ADOPTED.

- (i) Resolution No. 216-85 requests authorization to issue a Purchase Order in an amount not to exceed \$4,000 to Western Aerial Photos for aerial flights in connection with Rincon Point-South Beach.

Mr. Kernan reported on item (i) as follows. With the South Beach small boat harbor and the office building under construction, periodic aerial photography to provide a continuous record of changes in the harbor contract and the project area in general is advisable. Quarterly photography for a period of two years, plus two extra flights if needed, and a small reserve for extra photo prints would be provided, charged on a unit price basis thereby allowing staff to vary the frequency of the flights and the number of prints to meet project needs. Staff has analyzed the lowest bid received from Western Aerial Photos of \$3,901.30 and finds it reasonable. This Company, located in Redwood City, California, has performed similar tasks for the Agency in a satisfactory manner. Based upon past experience, it is considered that this will provide a valuable administrative resource for an estimated \$50 million public improvement and \$900 million private improvement program.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-85 BE ADOPTED.

- (a) President King indicated that item (a) would now be taken up. There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

NEW BUSINESS (continued)

Thomas Ma, Senior Architect, presented original and current design plans, and replied to questions from the Commission regarding the proposed landscaping.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Mr. Commons indicated he felt there had been an inadequate presentation of the 1986 Budget and requested it be re-presented to the Commission in a satisfactory form. Mr. Kernan replied that during meetings with staff, Commissioner Commons had brought forward some very good points. The purpose of advancing the Budget at an early date had been to accommodate a request from the Office of Community Development for CDBG funds. In the near future the Budget would be re-presented and brought before the Commission with the necessary modifications and elaborations.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (j). The meeting recessed at 5:15 p.m. The meeting reconvened at 5:25 p.m. with the same roll call.

- (j) Workshop to provide study results of the 1-280 Concept Program-City Staff Recommendation (CSR) in connection with Rincon Point-South Beach.

Mr. Kernan reported on item (j) as follows. The 1-280 program makes available \$87.1 million in Federal funds for transportation projects in the Embarcadero corridor that will substitute for the withdrawn segment on the 1-280 freeway between its stub end and Third Street and the Embarcadero elevated freeway at Howard Street. Over the past three years, staff has participated in a study with other City Departments, the Metropolitan Transportation Commission and the California Department of Transportation to analyze alternative substitute projects and to prepare an Environmental Impact Report for those projects. The impacts of these alternatives were analyzed in depth and City staff chose alternative IV-A as the recommended solution. This Alternative provides for reconstruction of the Embarcadero roadway, a portion of which is one key element in the Rincon Point-South Beach project. The CSR calls for submission of two "packages" of constituent projects, one of which contains all projects south of the Bay Bridge and other all projects to the north. Staff would prefer to separate that segment of the Embarcadero to the South Beach area, from Second Street to the Bay Bridge, as a third "package". In the CSR this segment is a part of the "package" south of the Bay Bridge, which also includes the projects associated with the Mission Bay project and it is staff's opinion that this may delay implementation of this

MATTERS NOT APPEARING ON AGENDA (continued)

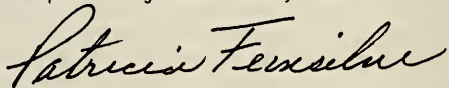
segment of the Embarcadero by two years or more. In addition, it is considered to be sufficient justification to treat this segment as an independent "package" primarily because its design is the same in all the eight alternative studies and it can stand alone whether or not the other two "packages" are implemented. This issue will be discussed with FHWA staff on July 22nd and the CSR brought before the Commission at the regular meeting in July 23rd for endorsement, subject to staff's reservations as outlined today. The CSR has been endorsed by the Public Utilities Commission and the Port Commission. It is scheduled to go before the Planning Commission on July 25, 1985, and then to the Board of Supervisors for their action.

President King announced that the meeting would be adjourned to a closed session on personnel and it is the Commission intent, upon completion of that session, to adjourn this meeting to July 23, 1985 at 2:30 p.m. at 939 Ellis Street to be reconvened for a tour of the Hunters Point/India Basin Project Areas. The purpose of the tour is to inspect the various development sites such as the commercial site in India Basin to be developed by Future Perfect, the Hunters Point School #2 for a commercial center to be developed by Gordon Jackson and the 20 acre Navy Road Property.

ADJOURNMENT

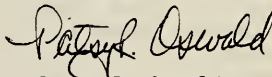
It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patricia Feinsilver
Acting Secretary

EDITED BY



Patsy R. Oswald
Agency Secretary

APPROVED

October 29, 1985

MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JULY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 2:30 o'clock p.m. on the 23rd day of July, 1985, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Vice President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

DOCUMENTS DEPT.

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and the following was absent:

Leroy King, President
H. Jesse Arnelle

SAN FRANCISCO
PUBLIC LIBRARY

The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Mr. Kernan reported that the purpose of this meeting was to review and then to inspect various development sites in the India Basin and Hunters Point Redevelopment Project Areas.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT THE MEETING BE ADJOURNED TO THE SOUTHWEST CORNER OF THIRD STREET AND EVANS AVENUE IN THE INDIA BASIN/HUNTERS POINT REDEVELOPMENT PROJECT AREAS.

After the site inspection the regular meeting agenda continued at 4:00 p.m. at 939 Ellis Street with the following roll call:

Leroy King, President
Walter S. Newman, Vice President
J. Jesse Arnelle
Charlotte Berk
Dorman Commons
Melvin D. Lee
Haig G. Mardikian

Also present were: Ocie Mae Rogers, Hunters Point; Ella Tancromans, Western Addition; Miyako Ikeda, Marina District; Bernard Cherin Western Addition/Fillmore Street; Howard Wexler, American Multi-Cinema; Floyd Piene; Jones Senior Homes; Rozelle Lee, Leona Smith, Ruby Deleboro, Robert Hunt, Robert E. Williams, Jones Methodist Church; Nikkie Dillon, Resident of Fillmore/Japan Center Area; Art McBreen, Kabuki Hot Springs; David Palmer, Pacific Health Systems; Mari Matsumoto, Nimonmachi Little Friends Preschool; Richard Ejijona, Nimonmachi St. Fair Committee; Jim Kajwara, Joyce H. Oishi, Marlene Tonai, NCRR; Richard Hashimoto, Japan Center Garages; Glen Takeuchi, National Braemar; Akemi Tom, Cynthia Ikeda, Rokushige Fujima Kai; Sandy Mori, Kimochi, Inc.; M.J. Staymates, WAN; Jeff Mori, J.C.Y.C.; Natlie Byrd, Betty Wells, Jones Memorial Homes; Mary Rogers, WAPAC; Jean Hibine, J.C.P.A.; Alan May, Concerned Residents of Japantown/the Fillmore; Katherine Nash, George Iwao, Ron Fuamasa, Oscar H. Turner, Jr., Enos H. Baker, Helen C. Jones, John H. Yerman, interested citizens.

Representing the press were: Gerald Adams, San Francisco Examiner; Jim Kelly, San Francisco Progress; Marshall Kildoff, San Francisco Chronicle.

UNFINISHED BUSINESS

- (a) Resolution No. 214-85 requests a conditional authorization to apply to the Mayor's Office of Housing and Economic Development (MOHED) for a Mortgage Commitment of \$1,264,000 and expenditure of an amount not to exceed \$57,000 in application and commitment fees for twenty expandable homes on Innes Avenue in Hunters Point.

Mr. Kernan reported on item (a) as follows. Originally it was intended to reprogram \$250,000 in Community Development Block Grant funds for development of the expandable homes. However, staff has just been advised that these funds are not capable of being used entirely for the purposes intended. Therefore, another source of funding will have to be used. It is now requested that \$250,000 be reprogramed from the Western Addition Housing Fund and use as much of that amount as is necessary to fill the gap for those items that are declared ineligible by the Community Development Block Grant. The Western Addition Housing Fund was established to receive funds from the Opera Plaza Project and other projects and it is intended to borrow from that fund and repay upon the sale of the building. The expandable homes would be sold to people of moderate income and it was indicated that a mortgage commitment fee of 3% would be reserved, however, they are now asking for a 4 to 4.5% as being charged for the next bond issue, which would result in an increase of approximately \$19,000 for the mortgage commitment fee. This additional amount will reduce the funds available for the Agency's share of construction costs, but it doesn't adversely affect the project's feasibility. The 4 to 4.5% is high by industry standards, but the interest rate to the home buyer for a thirty year mortgage would be approximately 3% less

UNFINISHED BUSINESS (continued)

than comparable private financing. Authorization is requested to make the application to the Mayor's office of Economic Development for the mortgage commitment and utilize community development funds to the extent they are eligible and borrow from the Western Addition Housing fund to the extent they are not eligible with all funds to be repaid upon sale of the units. The application fee is \$6,320 and would be refundable if the commitment was not purchased.

Mary Rogers noted her concern that the funds borrowed would be repaid in a timely manner and Mr. Jim Wilson, Project Director, Hunters Point/India Basin indicated that the units are expected to be sold by mid-summer of next year and the funds borrowed from the A-2 Housing Fund will be paid back on a priority basis.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 214-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 217-85 requests confirming the appropriateness of the uses proposed and authorize the execution of any and all instruments necessary to effectuate the proposal by American Multi Cinema (AMC) or one of its affiliates to purchase and renovate the Kabuki Theater in the Japanese Cultural and Trade Center into a multi-screen cinema, Western Addition A-1.

Mr. Kernan reported on item (a) as follows. Subsequent to the Commission expressing a desire that the future use of the Kabuki Theater be such that it can accommodate the cultural uses of the Japanese community, staff and Nihonmachi community have had a number of discussions regarding this matter. The Nihonmachi community, in this context, is intended to include all ethnic groups in the Nihonmachi corridor, which covers all the area in the A-2 project bounded by Bush, Gough, Steiner Street and Geary Boulevard. Community concerns include parking, the availability of the theater for community uses, security and maintenance of the center, the type of movies to be shown and availability of jobs to the community, all of which have been addressed. Parking requirements under the Redevelopment Plan have been analyzed and found to be in compliance. In addition, in an effort to alleviate parking problems AMC is prepared to sign a binding contract for validated parking with Western Addition Parking Corporation during the hours the cinemas are in operation with each patron being entitled to three hours of validated parking; stagger the show times so that no more than two movies will start at the same time to minimize congestion in the parking facility; provide for half hour breaks between movies, during which time departing patrons will vacate parking spaces and make space for patrons arriving for the subsequent showing. Records of the Kabuki Theater indicate that the facilities have been used an average of thirteen times for community functions annually.

NEW BUSINESS (continued)

AMC is willing, with reasonable advance arrangements, to accommodate the community functions at a discounted rate. A committee, on which the community will be represented, will assist in scheduling the events in a mutually satisfactory manner. Two theaters proposed at the rear of this larger theater would be available as staging areas with dressing rooms located nearby. A 64 x 27 foot stage has been included in the present design, which can be utilized by the community for dramatic, musical and cinema-photographic uses. Close attention will be paid by AMC to the security and maintenance of the area immediately surrounding the theater complex and also to JCTC as a whole. AMC will cooperate with the police, garage officials and other Nihonmachi merchants to resolve any problems that may arise and, if necessary, are willing to hire their own security guard. With regard to the type of movies, it is AMC's policy in all of its theaters to show no x-rated films and only family oriented movies will be shown. In addition, if the community so desires, theaters will be available to show Japanese films. AMC expects to create fifty to sixty jobs for which qualified community residents will be encouraged to apply. During the renovation period when AMC is the general contractor, community sub-contractors will be invited to bid on the construction jobs. Pursuant to the LDA, the Agency has control as to changes in uses shown on the original JCTC Plan and this includes walkways, malls and plazas. It is staff's opinion that, in view of the origin of the center and its name, it should continue to have a Japanese ambience to the extent this relates to the uses shown on the original development plan. The LDA Authorizes "a theater suitable for dramatic, musical and cinema photographic use as an integral part of the development". There appears to be a general consensus of various organizations within the Nihonmachi community which has accepted renovation of the Kabuki Theater into eight cinemas containing 2,131 seats and it is considered that the use of the theater by AMC will accommodate the cultural use of the Nihonmachi community.

The following persons spoke in opposition to AMC's proposal:

Enos H. Baker, Alan May, Concerned Residents of Japantown/Fillmore; Jean Hibino, Don Misumi, Japanese Community Progressive Alliance; Akemi Tom, Cyndi Ikeda, Fujima, Rokushige Dana Group; Randall Evans, Cyn Fukui, George Iwao and George Lichty, interested citizens.

The following persons spoke in support of AMC's proposal:

Joe Maeda, Nihonmachi Merchants Association; Steve Nakajo, Kimochi; George Ondo, JADC: Floyd Pierce, Jones Senior Homes; John H. Yerman, Pressler's; Ronald Fujiwasa and Sandy Mori.

NEW BUSINESS (continued)

Following a discussion between the Commissioners, staff and the public regarding AMC's proposal, a tape recording of which is on file with the Agency Secretary, the following motion was adopted.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-85 BE ADOPTED CONDITIONED UPON RECEIPT BY THE AGENCY OF A LETTER FROM AMC, ADDRESSED TO THE AGENCY, IDENTICAL IN SUBSTANCE TO A LETTER DATED JULY 19, 1985 TO SANDI MORI, COORDINATOR FOR THE KABUKI THEATER AD HOC COMMITTEE, WHEREIN AMC CONFIRMED CERTAIN SOLUTIONS THAT HAVE BEEN AGREED TO BY IT, WHICH ADDRESS THE CONCERNS RAISED BY THE NIHONMACHI COMMUNITY.

President King announced there would be a recess at this time and that he would be leaving the meeting and turning the Chair over to Mr. Newman, 5:55 p.m.

The meeting reconvened at 6:00 p.m. and Vice President Newman took the Chair as Acting President.

- (b) Public Hearing to hear all persons interested in an Easement Deed for Conveyance of an Access Easement over a portion of Parcel DD-2 in Hunters Point.

Resolution No. 218-85 requests authorization of conveyance of a access easement for vehicular and pedestrian ingress and egress to the San Francisco Unified School District over a portion of the Agency-owned parcel located on the southerly side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

- (c) Public Hearing to hear all persons interested in a Deed for Conveyance of a small triangular piece of land within Parcel DD-2 in Hunters Point.

Resolution No. 218-85 requests authorization of conveyance of a small triangular piece of land to the City and County of San Francisco within the Agency-owned parcel located on the southerly side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Acting President Newman opened the Public Hearing to hear all persons interested in these matters.

Mr. Kernan reported on items (b) and (c) as follows. The School District has been utilizing an existing road across this parcel for access from Hudson Avenue to Jedediah Smith School site.

NEW BUSINESS (continued)

This road is the only means of ingress and egress to and from the parking lot on the School District's property and, in order to continue its use after the parcel is committed for development, it is necessary that an easement be granted. It is also proposed that a small triangular portion of approximately 2,132 square feet, lying between the easement and Hilltop Park, be conveyed to the City to become an integral part of the park. The park, which was landscaped by the Agency at the time of its construction, was dedicated to the City in 1979. It is presently, and will continue to be, maintained by the City's Recreation and Park Department. The Recreation and Park Commission recommended the City's acceptance of the deed to this parcel in January 1985 and the Board of Supervisors authorized acceptance in May 1985. It is proposed that both conveyances be without cost to the School District and the City.

There being no persons wishing to appear in connection with these matters, the Acting President declared the Public Hearings Closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-85 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 1100-A in the Western Addition A-2.

Resolution NO. 220-85 requests authorization of an LDA with Jeremiah and Sheila O'Sullivan and Michael and Jeanne O'Mahony for the parcel located on the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Kernan reported on item (d) as follows. In April 1985 exclusive negotiations were authorized for construction of ten market rate residential condominiums. All requirements of the exclusive negotiations have been met, including satisfactory preliminary evidence of financing, schematic drawings and a satisfactory affirmative action program. The Performance Schedule calls for submission of evidence of financing by May 14, 1986 and conveyance of the site by June 18, 1986.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-85 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 1129-0, 1915 Eddy Street in the Western Addition A-2.

Resolution No. 221-85 requests authorization of an LDA with Oscar and Barbara Turner for the building located at 1915 Eddy Street in the Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Kernan reported on item (e) as follows. In April 1985 exclusive negotiations were authorized with the developers who propose to rehabilitate this two-story Victorian building that was constructed in 1876 as three residential condominium units with parking spaces. The proposal meets all requirements of the WA-2 Redevelopment Plan. Since this is a market rate condominium project, the LDA includes a Profit Limitation/Sharing provision which requires that fifty percent of all profits realized from the sale of all units that are in excess of twenty percent of allowed development costs be paid to the Agency. The LDA also provides that all costs expenses and fees required for the conversion as a condominium development will be paid by the developer. Sufficient evidence of financial capacity to undertake successful rehabilitation has been provided. The Performance Schedule calls for evidence of financing by April 23, 1986 and conveyance of the site by July 2, 1986.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 221-85 BE ADOPTED.

- (f) Resolution No. 22-85 requests authorization of an Owner Participation Agreement with Peter N. Kaiser for the building located at 2043-2045 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. This three-story Victorian building was originally constructed in 1885 as a two-family structure and was acquired by Mr. Kaiser in January 1984. The Owner proposes to rehabilitate this vacant structure into four residential dwelling units. The proposed plans and specifications have been reviewed and meet all the requirements of the WA-2 Redevelopment Plan. The estimated rehabilitation cost of \$210,000 will be privately financed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-85 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 223-85 requests endorsement of the City Staff Recommendation of Alternative IV-A on the 1-280 Concept Program and that the work on the Embarcadero in the South Beach area be identified as an independent project in connection with the Rincon Point-South Beach.

Mr. Kernan reported on item (g) as follows. Alternative IV-A provides for transportation and transit improvements starting in Mission Bay, extending through the Rincon Point-South Beach area and terminating at Fisherman's Wharf. It provides reasonable solutions to a complex set of traffic and environmental problems which affect the waterfront area and the proposals are consistent with the Rincon Point-South Beach Redevelopment Plan. However, since the work proposed for the Embarcadero in the South Beach area is the same in all alternatives studied, staff would prefer to identify that project definition as a third package, rather than only two as provided in the City Staff recommendation.

Mr. Arnelle indicated that he supported the demolition of the Embarcadero Freeway, but was not convinced that the alternative would handle the traffic congestion and would vote against adoption of the resolution.

Mr. Commons indicated that since his apartment looks out on the Embarcadero Freeway, he would abstain from voting on the resolution.

Following a discussion between the Commissioners, staff and Doug Wright of the Public Utilities Commission, a tape recording of which is on file with the Agency Secretary, the following resolution was adopted.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE THAT RESOLUTION NO. 223-85 BE ADOPTED, UPON CONDITION THAT ALTERNATIVE IV-A PROVIDES THAT REMOVAL OF THE EMBARCADERO FREEWAY WILL NOT FURTHER EXACERBATE EXISTING TRAFFIC PROBLEMS AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle

AND THE FOLLOWING ABSTAINED:

Mr. Commons

THE ACTING PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

NEW BUSINESS (continued)

- (h) Resolution No. 224-85 requests authorization of an Owner Participation Agreement (OPA) with 250 Fourth Street, Ltd. for Block 3733, Lot 8, located at the northwest corner of Fourth and Clementina Streets in Yerba Buena Center.

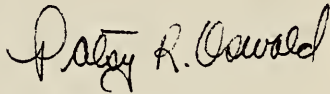
Mr. Kernan reported on item (h) as follows. 250 Fourth Street holds an option to purchase this property upon completion of an OPA. The site is directly across from the Moscone Convention Center and is improved with a two-story concrete building that was constructed in 1930's. This building was rehabilitated under an OPA with the previous owners and a Certificate of Completion on the existing OPA was issued in 1984. A four story addition to the existing building, proposed by 250 Fourth Street, met with concern from staff and opposition from adjacent residences. A compromise, acceptable to all parties involved, has been reached, resulting in a proposal to demolish the existing building and construct a new structure. In accordance with the Scope of Development Plan contained in the OPA, the proposed owner will paint the exterior facade and add street trees in order to lease the building for office use for a maximum of five years. During this period the owner will prepare plans, design schematics and financing for a new building on the site, which complies with the YBC Redevelopment Plan and the owner agrees to develop the site in compliance with the standards permitted by the Plan as amended in November 1981. The owner would not be affected by future plan amendments without his consent. The concept drawings are an attachment to the OPA and are approved concurrently with it. They propose an approximately 77,000 square foot building, approximately 118 feet high in the tower portion, which is located on Fourth Street and set back from the residential buildings. The Site Development Program and Schedule of Performance calls for submission, consistent with the concept drawings, of site development and schematic design drawings within 48 months and design development documents within 54 months; and final contract documents and specifications. It is anticipated these submissions, which will be brought before the Commissions for review, will result in development of the site in a manner that is appropriate to the urban design concepts, land coverage, open space and architectural criteria for YBC. If 250 Fourth Street does not become the recorded owner of the site by December 31, 1985, the OPA will automatically terminate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

January 28, 1986

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF JULY 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of July, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Art B. Wong, San Francisco Day school; Ocie Mae Rogers, interested citizen.

REPORT OF THE PRESIDENT

President Leroy King reported to the Commissioners on the following matter:

- (a) The appointment of Larry Wright as Deputy Executive Director for Finance was approved in a Closed Session of the Commission and is effective as of July 16, 1985. The Commission and staff look forward to continuing to work with Mr. Wright on The Agency's fiscal matters.

NEW BUSINESS

- (a) Resolution No. 225-85 requests authorization of the method of sale by competitive bid, as Offering No. 11, a minimum disposition price of \$2.4 million for the Parcel 3751-Q located on the southwest corner of Third and Folsom Streets in Yerba Buena Center; and approving a marketing brochure and placement of advertising.

NEW BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. This site is designated for market rate residential uses and will accommodate up to 243 housing units. It is proposed to market this residential site to the development community. 5,000 marketing brochures will be prepared and printed at a cost of \$8,000. This brochure will provide an essential marketing tool for the YBC project and a visual means of representing this and other offerings sent to the development community. It will also be used to send information to the general public. In addition to notifying all interested developers, the offering will be advertised in local, neighborhood and ethnic newspapers in an amount of \$5,000 to insure general public awareness of the availability of the parcel. The minimum bid price of \$2.4 million has been determined by staff and independent appraisers to be not less than fair value for uses in accordance with the plan. This is also the value established by the Bank of America as the release price for their Deed of Trust.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY Mr. Mardikian, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-85 BE ADOPTED.

- (b) Resolution No. 226-85 requests authorization of a contract with Albright Building Maintenance Service for clean-up and removal of debris from the Jessie Hotel at 179-81 Jessie Street in Yerba Buena Center in an amount not to exceed \$4,500.

Mr. Kernan reported on item (b) as follows. The Jessie Hotel is a five-story steel and concrete commercial building with approximately 34,600 square feet of floor area. When the hotel was vacated in 1982, the interior of the building was covered with debris. In addition to numerous subsequent acts of vandalism, it has been determined that a health and environmental hazard exists. Following the proposed clean-up, the building will be tightly secured to prevent entry to the extent possible. Six bids were received with Albright submitting the lowest bid. This firm based in San Francisco is a minority, woman-owned contractor that has been in business for fifteen years and has performed as a janitorial contractor at the Center Office and Hunters Point Site Office.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY THAT RESOLUTION NO. 226-85 BE ADOPTED.

- (c) Resolution No. 227-85 requests authorization of a Rental Agreement with the San Francisco Day School for use of parcel 676-A, located at the southwest corner of Bush and Buchanan Streets in the Western Addition A-2 as an outdoor playground until June 1986.

Mr. Kernan reported on item (c) as follows. The school is located at 2266 California Street and expects to move to 350

NEW BUSINESS (continued)

Masonic in September 1986 and therefore will not need the parcel beyond June 1986. Mr. Masao Ashizawa, the developer, has been advised of the school's proposed interim use of the parcel which would not have any impact on its development schedule. The proposed monthly rental rate of \$60.00 is comparable to that charged to non-profit organizations for Agency-owned land in the Western Addition A-2. The school has agreed to make any necessary improvements at their expense and to remove these improvements when the site is vacated. They will also be responsible for the security and maintenance of the land during the estimated eleven months use.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-85 BE ADOPTED.

- (d) Resolution No. 228-85 requests authorization of a Third Amendment to the Owner Participation Agreement (OPA) which extends the performance Schedule to October 15, 1985, with Campeau South Beach Properties for Development Site I in the block surrounded by Townsend, First, Brannan and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (d) as follows. In June 1984 an OPA was authorized with Campeau for construction of 402 dwelling units, rehabilitation of the Oriental Warehouse and construction of a 91,000 square foot office building. In April 1985 an extension was granted to July 16, 1985 by which time Campeau was to have submitted preliminary plans and specifications for the first residential phase. However, claims by the City of San Francisco and the State of California for title of Bluxome Street, which runs through the site, are still outstanding and continue to cause a delay in Campeau proceeding. Campeau is actively working to resolve the title issue and expect this can be achieved within the requested extension period.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-85 BE ADOPTED.

- (e) Resolution No. 229-85 requests authorization for Helen Sause, YBC Project Director, to travel to Denver, Colorado, August 1-4, 1985, to conduct NAHRO'S Community Revitalization and Development Committee and to attend the Board of Governors' meeting at a cost not to exceed \$800.

Mr. Kernan reported on item (e) as follows. Ms. Sause would be attending in her capacity as National Vice President of the Community Revitalization and Development Committee and as a member of the Board of Governors' Steering Committee. If there are any critical issues being considered which affect the YBC Project, Ms. Sause will not undertake this travel.

President King indicated that a schedule of future NAHRO meetings to be attended by Ms. Sause was in the process of being prepared.

NEW BUSINESS (continued)

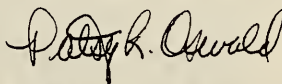
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK ,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-85 BE ADOPTED.

President King announced that pursuant to Government Code Section 54956.8 there will be a Closed Session on negotiations regarding the disposition of Parcels 726, 731, 732 and portions of 707 and 749 in the Western Addition A-2 to Housing Associates, Inc.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

September 3, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF AUGUST 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of August, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

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and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Tim Fluetsch, Saber Development; Harold Brooks, Jr., California Debris Box; Dr. Rhody A. McCoy, Rhody McCoy, R. McCommon, A. Grossman, G. Miller, M. Lasovitch, Future Perfect, Inc.; Essie L. Collins, Arthur Silvers, Nolan Frank and Ocie Mae Rogers, Interested Citizens.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of July 2, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of July 30, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) In response to the Agency's concerns about the condition of Hilltop Park in Hunter Point, the staff of the Recreation and Park Department has advised that requisitions have been placed to clean up broken glass and other debris in and around the children's play area; repair the irrigation system; and paint and

repair the sun dial gnomon and various play structures. Work is expected to begin within 30 days and staff will follow up and keep the Commission advised.

- (b) The budget resolution passed by Congress last week, cut CDBG monies by 15% and UDAG monies by 20%. The next steps will be Congressional consideration of authorizations and appropriations. The national effort will now focus on trying to limit the cuts from being deeper and trying to restore funding back to the CDBG program to the original proposed 10% cut.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Third Amendatory Agreement to the LDA for Parcel D in India Basin Industrial Park.

President King opened the Public Hearing to hear all interested in this matter.

Resolution No. 230-85 requests authorization of a Third Amendatory Agreement, which revises the Performance Schedule, changes the terms of the sale and changes the scope of development to the LDA with Future Perfect, Inc. for Parcel D in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in India Basin Industrial Park.

- (b) Resolution No. 231-85 requests approving in concept the overall orientation, general massing and site planning aspects of Future Perfect's development.

Mr. Kernan reported on items (a) and (b) as follows. The developer intends to finance his development with tax exempt Industrial Development Bonds and has applied for an Urban Development Action Grant (UDAG). In approving UDAG's HUD historically has required that land sales proceeds be amortized over the term of the repayment period. Since the LDA now requires the entire price be paid at the time of escrow closure, the sales terms of the LDA must be amended to allow amortization over a five year term. At the workshop in July, the developer proposed a major revision of his plans, which staff has a number of concerns about. However, given sufficient attention, staff feels the design issues can be successfully resolved during the schematic and preliminary design stages. In this connection staff recommends approving in concept the overall orientation, general massing and general site planning aspects of the project. Because of staff concerns, time is needed to review the plans. Therefore, the following performance schedule is recommended: Submit Schematic Plans by September 4; Submit preliminary Construction Documents by October 9; Submit Final Construction Documents by November 6 and evidence of financing by November 20. There is no change in conveyance of the site, which is December 4, 1985. With the extremely tight performance schedule, it is anticipated the developer will use the "Fast Track" method of initiating commencement of construction as permitted by the LDA.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-85 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a Fifth Amendatory Agreement to the LDA for Parcel 1126-B in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution 232-85 requests authorization of a Fifth Amendatory Agreement to the LDA with Essie Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. In November 1983 an LDA was authorized for construction of thirteen market rate residential condominiums. However, Ms. Collins now advises that she is unable to secure construction financing because the bids were significantly higher than estimated, rendering the project infeasible. The developer now proposes a four story building of fourteen market rate residential condominiums comprised of one and two bedroom units. Architect Arthur Silvers has now been retained to redesign the development and the schematic drawings submitted have been found satisfactory by staff. The proposed Fifth Amendatory Agreement revises the Performance Schedule and calls for submission of evidence of financing by June 11, 1986 and conveyance of the site by July 9, 1986. Since the conveyance date of May 29, 1985 was not met, the land was reappraised by an independent appraiser, resulting in an increase in the disposition price from \$105,000 to \$172,900.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Commons inquired as to how financing could now be secured in view of the increased land price when considering the financing difficulties that had been experienced in the past. Mr. Arthur Silvers, the developer's architect, indicated that as a result of the redesign construction costs had been lowered by \$300,000. Ms. Collins indicated that she anticipated proceeding rapidly with the project and expects to be ahead of the scheduled performance dates.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-85 BE ADOPTED.

- (d) Resolution No. 233-85 requests authorization to extend the Conveyance Date until September 22, 1985 to the LDA with Bruce Loughridge and Lawrence Spergel for 1402-1404 Post Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. An LDA was authorized in May 1984 for rehabilitation of this three story 1890 Victorian building as four residential condominiums. Three amendments were subsequently approved to allow time for submission of revised rehabilitation documents and evidence of financing. Revised satisfactory drawings were submitted in a timely manner, however, the developers were placed in default on June 24, 1985 for failure to submit evidence of financing by the amended date of June 5, 1985. Close of escrow did not occur on the scheduled date of July 24, 1985 because of lack of financing and a building permit. Although a financing commitment containing an expiration date of August 15, 1985 has been secured, the BBI advise that due to a backlog in applications, a building permit may not be issued until mid-September. Written confirmation from the lender extending the financing commitment to September 15, 1985, has been received and assistance requested from the Superintendent of the BBI in expediting processing of the building permit.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-85 BE ADOPTED.

- (e) Resolution No. 234-85 requests authorization of a time extension from August 7, 1985 to October 9, 1985 to the Disposition and Development Agreement (DDA) with YBG Associates in connection with Yerba Buena Center.

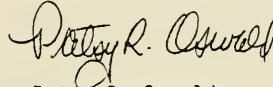
Mr. Kernan reported on item (e) as follows. This is an extension of the date of notification to the Developer of the Agency's selection of Gardens and Cultural architects. It is also requested that this extension be made part of the previously adopted second amendment to the DDA, which similarly extends the selection notification to the Developer of the Garden's Landscape and Cultural architects. The original notification of the selection of both architects was scheduled for May 18, 1985. However, it was subsequently extended to August 7, 1985 to complete the process. The process has taken more time than anticipated. Currently, the Scope of Services for the Gardens contract has essentially been agreed upon except for the fee negotiations. The final interviews of architects for the cultural facilities have been concluded and staff is now evaluating the results and expects to calendar a recommendation for consideration at the end of August.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Secretary

Approved

September 10, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF AUGUST, 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of August, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelles
Charlotte Berk
Haig G. Mardikian

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and the following were absent:

Dorman L. Commons (arrived 4:09 p.m.)
Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Charlotte Martin, Pamela Clark, Virgie Sadler, Teresa Gallegos, Stephen Mülle, Pamela Telo, Michael Boniz, Patrick J. Donnelly, Phil Hockin, L.D. Marti, J. Agosta, D. Valdes, S. Smith, Ellen Prus, Mimi Silbert, Alan Murray, Saha Elenester, S. Young, T. Graphsi, Erin Prior, Danny Spenser, Bob Parker, Dan Sisk, Dan Hockaday, Jim Tyrreli, Rick Mariano, Delancey Street Foundation; Jonathan Cohen and Howard Backen, Backen Arrigoni & Ross; Jay Mancini, Perini Land Development Company; Scott Johnson, Pereira Associates; Gilbert Chan, Alamo Associates; Eliel Redstone, Thomas Ottoman, 1470 Golden Gate Condominiums; Mary Rogers, WAPAC; Sherman Hill, Roy Hills, Alice Watson, Ocie Mae Rogers, Melvin Hayes, Jimmie Wilson, Brenda Bracy, Leroy Wise, Steve Cheatham, Wilbur W. Hamilton, Timothy Tosta, and Dave Jenkins.

Representing the press were: Jim Kelly, San Francisco Progress; Gerry Adams, San Francisco Examiner; Alan Temko, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 18, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Redmond F. Kernan, Acting Executive Director, reported to the Commissioners on the following matter:

- (a) On July 30 Offering No. 11 was approved for the Parcel located on the southwest corner of Third and Folsom Streets in Yerba Buena Center. It is happily reported that there has been a very good

response to the offering. To date, eight developers have obtained developer packets. The Offering closes on September 30, 1985.

Mr. Commons arrived at this time, 4:09 p.m.

NEW BUSINESS

- (a) Resolution No. 235-85 requests authorization of Exclusive Negotiations, until December 18, 1985, with the Delancey Street Foundation, Inc. for Site J located in the Block bounded by First and Brannan Streets and the Embarcadero in Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. The developer proposes to develop 56,000 square feet of commercial space and 177 dwelling units. Negotiations will be for four months during which schematic drawings, a preliminary financial plan and sub-lease terms will be prepared, followed by presentation to the Commission for approval of schematic designs and an Agreement to Enter into a development sub-lease. The sub-lease would be executed after the Agency has entered into a lease for the parcel with the Port and the developer is ready to initiate construction. Before an agreement to sub-lease can be entered into an agreement must be reached with the Port for residential use of the site. The Port was scheduled to request this authorization from the State Lands Commission on August 14, 1985 but to date it has not yet occurred. However, it is anticipated this matter will be positively resolved by early November 1985. In connection with the price and terms of the sub-lease, during the negotiations period the property will be appraised and a rent established. The sub-lease will be for sixty-six years, less the period that the option has run prior to the sub-lease. In response to concerns expressed by potential developers of adjacent properties, Delancey Street has pledged to work with the other South Beach property owners to find ways of producing a harmonious residential development.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-85 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the proposed Amendments to the Design for Development in Rincon Point-South Beach.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 236-85 requests authorization of Amendments to the Design for Development relating to changes in automobile parking standards, bulk and height limitations for the Rincon Annex Postal Facility parcel in Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Kernan reported on item (b) as follows. The Design for Development, approved by the Agency and City Planning Commission in 1980, outlines the design objectives and contains the development standards and urban design guidelines which apply within the project and is an accompanying document to the Redevelopment Plan. With the intention of increasing the Agency's flexibility in response to changing conditions the Design for Development was amended at the same time as the Redevelopment Plan in 1983. The amendments now proposed, which are intended to respond to a specific development proposal, call for: changing the permitted residential parking within the Rincon Point sub-area from one off-street parking space for each four dwelling units to one space for each unit; the maximum plan dimensions over 80 feet would be increased from 170 to 275 feet in length and from 200 to 320 feet in diagonal dimension; and the height limitations would be increased from 240 to 264 feet for the southern 200 feet of Assessor's Block 3716. The higher ratio of residential parking is to permit the developer to provide a competitive amount of parking facilities to assist in strengthening the marketability of the housing in a sector of downtown where residential development, as yet, is untested. The increased bulk limitations will permit an additional amount of new development to be added to the existing roof of the former Rincon Annex Post Office building and will allow the applicable 1979 City Planning Bulk Standards to be increased by 105 feet in length and 120 feet in diagonal dimension. The proposed heightening of the building involves the upper tower extensions and will provide more flexibility in the architectural design. Approval is also required by the City Planning Commission who will hold a public hearing on August 22, 1985 to consider these proposed amendments. Since the notice of the public hearing was published that specifically outlined the amendments to the Design for Development, several clarifying changes are now being suggested be made to the Amendments, namely: remove the word "approximately" from the bulk amendment; further clarification of the purpose of the height change and make clear the Agency Commission's discretion and required approval; and clarify changes in the text to clearly identify the parcels involved and make absolutely clear that height as well as bulk are included in the exceptions to the original text. It is recommended that the changes just suggested be adopted prior to acting on the proposed amendment as a whole and that then the resolution be acted on to authorize the Amendments to the Design for Development as amended by the motion.

Mr. Jay Mancini, Director of Development for Perini Land and Development Company introduced Mr. Scott Johnson, Senior Design Architect for the development who made a presentation of the project on behalf of Rincon Center Associates.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing Closed.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT CLARIFYING CHANGES BE MADE TO THE AMENDMENTS, NAMELY: REMOVE THE WORD "APPROXIMATELY" FROM THE BULK AMENDMENT; FURTHER CLARIFY THE PURPOSE OF THE HEIGHT CHANGE AND MAKE CLEAR THE AGENCY COMMISSION'S DISCRETION AND REQUIRED APPROVAL; AND CLARIFY CHANGES IN THE TEXT TO CLEARLY IDENTIFY THE PARCELS INVOLVED AND MAKE ABSOLUTELY CLEAR THAT HEIGHT AS WELL AS BULK ARE INCLUDED IN THE EXCEPTIONS TO THE ORIGINAL TEXT.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-85 BE ADOPTED AS AMENDED BY THE ABOVE MOTION.

- (c) Resolution No. 237-85 requests authorization of an Owner Participation Agreement (OPA) with Rincon Center Associates for a mixed-use development on Assessor's Block 3716, Lot 1, on the parcel bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.
- (d) Resolution No. 238-85 requests approval of Schematic Plans for the Rincon Center Associates development.

Mr. Kernan reported on items (c) and (d) as follows. In October 1983 an agreement was approved with the U. S. Postal Service specifying a maximum permitted development program and requiring developer contributions to low and moderate income housing. Following a public offering, the Postal Service entered into a sixty-five year lease with Rincon Center Associates, a partnership comprised of Perini Land and Development Company, managing general partner; Michael Blumenthal; P.Q. Chin; and Tutor-Saliba Corporation. At an estimated cost of \$124 million, the developer proposes to construct 250-350 housing units; 103,000 square feet of ground floor retail and 357,000 square feet for office use. The proposal includes historic renovation of the Rincon Annex Post Office and a permitted a 72,000 square foot addition to Rincon Annex, possibly for offices, but the use is optional at this time. Schematic plans submitted are generally acceptable as to bulk, height and configuration, however, there are issues that need to be addressed during the next design phase as part of item (d). The Agency has been requested to issue tax exempt mortgage revenue bonds which will obligate the developer to provide financing for housing for low and moderate income households. The Department of City Planning has reviewed this proposal and indicated concurrence in the overall acceptability and in the design concerns Legal staff finds the proposed development to be in conformance with the Redevelopment Plan and the Design for Development, as amended. This amendment is scheduled for action by the Planning Commission on Thursday, August 22, 1985. The Citizens Advisory Committee for Rincon Point-South Beach finds the designs acceptable, but because of time constraints, it has not reviewed the proposed low and moderate housing contributions. The proposal has been favorably reviewed by the U. S. Advisory Council on Historic Preservation, the

NEW BUSINESS (continued)

California State Historic Preservation Office and the Landmarks Advisory Board and Foundation for San Francisco's Architectural Heritage.

The Commissioners noted their concerns about how the housing aspects of the development would work and David Stoloff, Senior Development Specialist, described how the low, moderate and affordable housing would work based on tax exempt bonds being used and also if they are not used.

Mary Rogers noted that vacant units under Section 236 that should be offered to Certificate Holders was not happening and she wanted to know what could be done to make the sponsors comply. Earl Mills, Acting Senior Deputy Executive Director, indicated the managers and/or sponsors were obligated to notify the Agency, but often do not. In reply to Commissioners inquiries about a penalty for non-compliance, Leo Borregard, Agency General Counsel, indicated that he assumed there was the typical remedy for breach of contract. Mr. Commons indicated that the language should be looked at to see what can be done about those who do not comply.

Edmund Ong, Chief of Architecture, noted the design concerns and indicated they would be addressed during the next phase of design.

Mr. Kernan further reported that this is a complex, pioneering and significant development. A major San Francisco landmark will be preserved and a structure of major architectural impact will be built. The new buildings are sensitively treated to complement the existing historic structures. The central portion of the block will be opened to pedestrian oriented shopping with a dramatic galleria to be created within the Rincon Annex Building and a connecting new plaza to be created within the new structures. Furthermore, a number of housing units will be created representing a fair and adequate housing commitment under the combined Postal Service Agreement and obligations associated with tax exempt financing. Subject to a resolution of the design concerns, as outlined, and to Planning Commission approval of amendments to the Design for Development, as amended, approval of the Owner Participation Agreement and the Schematic Plans is recommended.

RESOLUTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-85 BE ADOPTED.

RESOLUTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-85 BE ADOPTED.

- (e) Resolution No. 239-85 requests authorization of a First Amendatory Agreement which extends the Performance Schedule by approximately 90 days to the LDA with 1470 Golden Gate Condominiums for Parcel 754-B located on the north side of Golden Gate Avenue between Pierce and Steiner Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (e) as follows. In February 1985 an LDA was authorized for the construction of six market rate, two bedroom, condominiums with Thomas Ottoman and Eliel Redstone who are the general partners in the newly formed partnership 1470 Golden Gate Condominiums. Tax exempt bond financing has been secured through the Mayor's Office of Housing and Economic Development to provide low interest mortgage money to the eventual purchasers of the units, which will have a maximum sales price of \$137,790. Delays are being experienced in securing a soils analysis, which in turn has delayed the structural engineering making it impossible to meet the August 14, 1985 submission date for final construction documents. The revised Performance Schedule calls for submission of final construction documents by November 13, 1985, submission of evidence of financing by February 5, 1986 and conveyance of site by June 11, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-85 BE ADOPTED.

- (f) Resolution No. 240-85 requests authorization of a First Amendatory Agreement which extends the Conveyance Date to October 9, 1985 to the LDA with Alamo Associates for Parcel 774-B located on the northeast corner of Steiner and Mcallister Streets in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. In September 1984 an LDA was authorized for the construction of fifteen market rate condominiums. Permanent financing commitments have been secured from the Mayor's Office of Housing and Economic Development's Single Family Bond Program and conventional construction financing from the Asian American Bank. The development design has been revised on several occasions to respond to the concerns of the City, resulting in the building permit process taking longer than anticipated. However, the permit is now expected to be issued within the next thirty days.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-85 BE ADOPTED.

- (g) Resolution No. 241-85 requests authorization of a Second Amendatory Agreement which extends the Conveyance Date to November 13, 1985 to the LDA with O'Brien Mechanical, Inc. for Parcel K-6 located at the southwest corner of Galvez Avenue and Mendell Street in the India Basin Industrial Park.

Mr. Kernan reported on item (g) as follows. In October 1984 an LDA was authorized with the developer who proposes to construct a building containing offices, shipping, loading and unloading facilities, and landscaped areas. A First Amendatory Agreement was approved in June 1985 extending the conveyance date to August 15, 1985 to allow additional time to secure a building permit with addendum for foundation and excavation, and application for which was filed on April 10, 1985. However,

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-85 BE ADOPTED.

Mr. Commons left the meeting at this time, 6:05 p.m.

- (k) Resolution No. 245-85 requests authorization of additional funds in an amount of \$138.03 for travel undertaken by Helen L. Sause, YBC Project Director, March 15-19, 1985 to attend the Housing and Community Development Conference and National Committee Meetings in San Antonio, Texas.

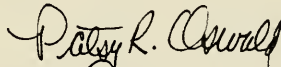
Mr. Kernan reported on item (k) as follows. In March 1985 travel expenses were approved in an amount not to exceed \$785. However, Ms. Sause left a day earlier than anticipated in order to attend a pre-workshop Housing Committee Meeting and a series of meetings of the various Community Revitalization and Development Work Groups, resulting in this additional expenditure.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:07 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

September 17, 1985

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF AUGUST 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:30 o'clock p.m. on the 27th day of August, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President
H. Jesse Arnelle
Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, WAPAC; Pleasant Carson, interested citizen.

Representing the press were: Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of June 25, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The City Planning Department on August 22 passed the Amendment to the Design for Development for Rincon Point-South Beach. Approval of the Board of Supervisors is required for Residential mortgage revenue bonds for the housing portion of the development.
- (b) The Agency's offices will be closed next Monday September 2 in observance of Labor Day.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 728-L, 1339-1341 Pierce Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 252-85 requests authorization of an LDA with the Woods Group for 1339-1341 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In February 1985 exclusive negotiations were authorized for rehabilitation of this two story Edwardian-style building that was constructed in 1900 as residential units. A sixty day extension was approved in June 1985 because of a delay incurred in updating the appraisal for establishment of a disposition price which resulted in additional time being required for publication of the Notice of Public Hearing. All conditions of the LDA have been complied with and sufficient evidence of financial capacity to undertake the project has been provided. Mr. Dexter Woods, holder of 51% interest in the partnership, will exercise his Certificate of Preference at the time of conveyance. The Performance Schedule calls for submission of evidence of financing by April 23, 1986 and conveyance of the site by June 25, 1986.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-85 BE ADOPTED.

- (b) Resolution No. 253-85 requests authorization of a Personal Services Contract for approximately one year, in an amount not to exceed \$36,000, with Rai Okamoto for technical assistance in connection with Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. This new contract will continue Mr. Okamoto's participation on the Urban Design Panel upon which he has served as a design consultant since 1981. He has participated in all discussions, studies and deliberations necessary for Agency review and comments on the Master Plan and the Basic Concept Drawings and subsequent design submissions. The first contract was intended to extend the execution of Disposition and Development Agreement (DDA) with OYM. The contract now proposed, which will be on a time and materials basis, more accurately reflects Mr. Okamoto's current role in the project. It will provide for review services of design submissions for Yerba Buena Gardens required by the DDA and evaluating design for the remaining parcels in YBC. This will include review of proposed plans and designs for the architecture, landscape and open spaces and the use of art as well as coordinating the Design Panel's review.

NEW BUSINESS (continued)

ADOPTION IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-85 BE ADOPTED.

- (c) Resolution NO. 254-85 requests authorization of a First Amendments to the Project Lease under which the Moscone Convention Center was constructed and the CB-3 Surface Lease in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. It is proposed to amend the Project Lease by deleting a portion of the developable surface of the rooftop of the Convention Center and to enter into a separate lease with the City for development of the rooftop as contemplated by the DDA for Yerba Buena Gardens. This is necessary because technical provisions in the Project Lease prevented development of the rooftop as originally contemplated. Provision for this amendment was made a condition of the Agreement to Lease approved in December 1984. The Bond Trustee has now consented to the amendment to the Project Lease and to deleting the area the Agency will develop as gardens and the parcel to be developed by YBG Associates. The CB-3 Lease applies to the same property deleted from the Project Lease and includes the basic requirements of the Project Lease. These basic obligations are operation, maintenance and insurance and are covered by the CB-3 Surface Lease. The basic restrictions on the City are those pertaining to assignment and subletting on development by the City, which must be in accordance with the Redevelopment Plan and Agency approved plans. With the exception of those required to permit the development of the Agency gardens and the private parcels by YBG Associates, the general intent of the CB-3 Surface Lease is to leave the Agency and City in the same respective positions with respect to the surface as they were under the project lease. It is the opinion of Agency Legal Counsel that no public hearing is required, since the purpose of the documents is a technical one and no disposition of property takes place.

The two leases, extension time for which expires September 27, 1985, must be submitted to and approved by the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-85 BE ADOPTED.

- (d) Resolution No. 255-85 requests authorization of a Financial Plan for an Expenditure Budget of \$42,460,415 for the calendar year 1986 and its submission to the Board of Supervisors of the City and County of San Francisco for approval.

Mr. Kernan reported on item (d) as follows. In June 1985 an Operating Plan for a 1986 expenditure budget of \$17,724,552 and submission of a request to the Mayor's Office of Community

NEW BUSINESS (continued)

Development for CDBG funds were authorized. In order to secure tax increment revenue, a statement of indebtedness for each project area must be on file with the City Controller by October 1, 1985. Although Yerba Buena Center (YBC) and Rincon Point-South Beach projects currently satisfy this requirement through issuance of debt, Hunters Point and India Basin do not and an expenditure budget for these two projects requires approval of the Board of Supervisors. In addition, the Health and Safety Code requires adoption of an annual budget whereby indebtedness is in conformity with the budget. Until recently this has been complied with by periodic budget amendments, however, it is considered that a more coordinated approach to meeting requirements can be accomplished by amending the plan previously approved. The revised plan would add the YBC Central Blocks and South Beach Harbor projects to the initially approved amount of \$17,742,552 bringing the total to \$42,460,415. It should be noted that the apparent surplus is composed of funds which are restricted to Yerba Buena Gardens and the Harbor.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 256-85 requests authorization of Change Order No. 3 to Contract I-Harbor for dredging services in an amount not to exceed \$53,300 in connection with Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. Under the contract the Agency is required to release to the contractor the area encroached upon by the MONTEREY which is berthed alongside Piers 46A and 46B. It is the Agency's responsibility under the terms of the lease with the Port to relocate tenants. The move is dictated by tides and the next desirable high tide will occur on August 28th. Since the contractor, to accommodate his operations, requires the site to be clear by September 1, 1985, a delay could expose the Agency to damages in excess of the dredging cost. The harbor could be completed approximately three months earlier if the site is clear and the contractor commences on schedule which, in turn, would result in earlier revenues from berth rentals estimated at \$100,000 a month. The move was originally scheduled for August 14th. However, on August 13th a recent silting of the intended channel was observed by the Harbor Pilot engaged to make the move. It therefore became necessary to authorize the contractor to commence the dredging work on August 23rd to ensure completion of the work prior to the August 28th high tide. However, if insurance coverage, which is presently in the process of being arranged, is not in place by that time then the move will be delayed until the next high tide on September 11th. The cost of \$53,300 is considered to be reasonable and staff investigation has determined that it is the lowest attainable. The contract time will not be affected by the Change Order.

MATTERS NOT APPEARING ON THE AGENDA (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-85 BE ADOPTED.

- (b) Resolution Nos. 257-85 and 258-85 request authorization to extend two letter Agreements with the San Francisco Housing Authority for the services of Wilbur W. Hamilton and Estelle Crawford through November 30, 1985.

Mr. Kernan reported on item (b) as follows. In February Mr. Hamilton was authorized to accept a temporary assignment as Acting Executive Director of the Housing Authority for approximately six months during the search for a permanent Executive Director with Ms. Crawford to provide secretarial support for the same period. Since a final selection has not yet been made, it is proposed to extend the Letter Agreements for approximately ninety days or until a permanent Executive Director is designated, whichever occurs first. Under the terms of the Letter Agreements the Authority reimburses the Agency for actual salary and fringe benefits. It is also proposed to extend the assignments of Redmond F. Kernan as Acting Executive Director and Earl P. Mills as Acting Senior Deputy Executive Director for the same period.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-85 BE ADOPTED.

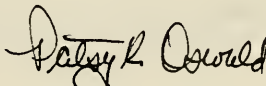
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2j87-85 BE ADOPTED.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT THE ASSIGNMENTS OF REDMOND F. KERNAN AS ACTING EXECUTIVE DIRECTOR AND EARL P. MILLS AS ACTING SENIOR DEPUTY EXECUTIVE DIRECTOR BE EXTENDED THROUGH NOVEMBER 30, 1985.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy Oswald
Secretary

APPROVED

October 8, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF SEPTEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of September, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Melvin Miles, Parent-Infant Neighborhood Center, Inc.; J. McLaughlin, Hollis Court Association; Mary Helen Rogers, WAPAC; Ocie Mae Roger, Hunters Point; Robert and Linda Evans, interest citizens.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the closed session of July 9, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of July 9, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of July 16, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of July 30, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On September 6 there will be a Gala Ribbon-Cutting and Dedication ceremonies for the completion of the Amancio Ergina Village, Inc. a 72-unit development at Scott and O'Farrell.
- (b) The Agency's offices will be closed September 9, in observance of Admission Day.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Variance from the off-street parking requirements on Parcel 728-N, 1905-07 O'Farrell Street in the Western Addition A-2.

Resolution No. 259-85 requests authorization of a Variance from the off-street parking requirements of the Western Addition A-2 Redevelopment Plan for 1905-07 O'Farrell Street.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 728-N, 1905-07 O'Farrell Street in the Western Addition A-2.

Resolution No. 260-85 requests authorization of an LDA with Robert and Linda Evans and Joan Dearmon for 1905-07 O'Farrell Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in these matters.

Mr. Kernan reported on items (a) and (b) as follows. This structure was designated for acquisition and demolition under the Redevelopment Plan, however, the development standards formulated under the Plan were intended to apply to new development at this location. Had the building been originally designated for retention under the Plan, the off-street parking requirements would not apply since the Plan provides that existing residential uses of properties designated as eligible for retention may be continued in such use if appropriately rehabilitated. The proposed variance would reduce the off-street parking requirements from one to none which is consistent with the City's Planning Code. One of the purposes of the Plan was to provide for retention and rehabilitation of certain existing structures that were then considered feasible for rehabilitation. If this variance is not obtained then it is highly probable that rehabilitation will not take place and the building would be demolished for new development. In March 1985 exclusive negotiations were authorized for rehabilitation of this two-story Victorian building that was constructed in 1895 as a single family dwelling. A two month extension was approved in June 1985 because of a delay incurred in updating the appraisal for

NEW BUSINESS (continued)

establishment of disposition price which resulted in additional time being required for publication of the notice of public hearing. All conditions of the LDA have now been complied with and sufficient evidence of financial capacity to undertake the project has been provided. The Evans', holders of 51% interest, will exercise their Certificate of Preference at the time of conveyance. The Performance Schedule calls for submission of evidence of financing by April 30, 1986 and conveyance of the site by July 16, 1986.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-85 BE ADOPTED.

- (c) Resolution No. 261-85 requests authorization to extend Exclusive Negotiations until November 6, 1985, with Western Commercial Partnership (WCP) for ECR Parcel 3A (708-B) located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Kernan reported on item (c) as follows. Exclusive negotiations were authorized in September 1984 with Western Commercial Partnership. On April 15, 1985, the Board of Supervisors approved the A-1 Plan Amendment to permit housing over retail commercial for this development. On June 18 a workshop was held for the purpose of presenting the developer's proposal. Staff and WCP are continuing discussions with respect to the density for the parcel. Recently, WCP presented a new proposal with a model and staff will present its evaluation of the new proposal at a Workshop on September 10. It is staff's best estimate that the extension proposed is necessary to complete negotiations and prepare an LDA.

Mary Rogers requested consideration be given to the inclusion of larger units in the development, namely, 3 bedroom, rather than studios.

ADOPTION: IT WAS MOVE BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-85 BE ADOPTED.

- (d) Resolution No. 262-85 requests authorization to extend Exclusive Negotiations, until November 6, 1986, with Western Commercial Partnership (WCP) for Parcel 725-D located on the east side of Fillmore Street between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In August 1981 an LDA was authorized with Safeway to construct a three story

NEW BUSINESS (continued)

commercial building on the subject parcel for sale to the Agency or its designee within thirty days of completion. WCP was selected as the Agency's designee and it is anticipated final negotiations regarding this transaction can be completed during the requested extension period.

Mary Rogers inquired if an opportunity would be given to Western Addition businesses to purchase space in the building and Earl Mills, Acting Senior Deputy Executive Director, indicated that staff was aware of community interests and they are working towards providing opportunities for their participation. However, they are still negotiating with the developer.

Mr. Mardikian indicated he would like to move item 9 (d) and noted that the office building was to result in a community benefit, as that was part of negotiations with Safeway and he felt comfortable with staff's position.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-85 BE ADOPTED.

- (e) Resolution No. 263-85 requests authorization to re-enter into Exclusive Negotiations until December 4, 1985 with Jack Robbins for Parcel 708-E located on the west side of Webster between Fulton and McAllister Streets and Parcel 1102-A located on the west side of Broderick between Ellis and O'Farrell Streets in Western Addition A-2.

Mr. Kernan reported on item (e) as follows. Exclusive Negotiations were authorized in April 1985 for the construction of three market rate condominiums on one parcel and two units on the other. Schematic drawings and an affirmative action program have been submitted. However, working out special procedures regarding profit limitations to accommodate Mr. Robbins' dual role as developer and architect partly delayed negotiations. Although this issue has been resolved, a ninety day extension has been requested to allow time for the developer to provide preliminary evidence of financing and finalize the LDA.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-85 BE ADOPTED.

- (f) Resolution No. 264-85 requests authorization of Exclusive Negotiations, until January 8, 1986, with the Parent-Infant Neighborhood Center, Inc. (PINC) for the Parcel 724-A (1) located on the southeast corner of O'Farrell and Webster Streets in Western Addition A-2.

Mr. Kernan reported on item (f) as follows. In April 1984 PINC submitted a proposal for a child care center on the parcel located on the north side of Golden Gate Avenue between Pierce

NEW BUSINESS (continued)

and Steiner Streets, however, it was determined that housing would be more appropriate on the site. PINC now proposes to construct a four story building for use as a child care center on the subject parcel. The building would accommodate up to fifty infants which is a fifty percent increase from the existing facilities in Banneker Homes. It would also provide for administrative offices and a complete floor for parent counselling and treatment. The firm of Okamoto, Murata and Mittelstadt has been retained to design the center and basic concept drawings have been submitted together with building and financing programs. Construction funds are estimated to be \$1,000,000. \$70,000 has been raised through efforts of PINC's Board of directors and the interest of several Foundations has been generated. In addition to retaining the services of a fund raiser, construction funds have been requested through the Mayor's Office of Community Development.

J. McLaughlin, representing the Hollis Court Homeowners Association, indicated the Association considered the proposed institutional use of the parcel inappropriate and would prefer to see it remain as open space or for residential use.

Mary Rogers expressed support of PINC's proposal in view of the need for child care facilities.

Mr. Lee inquired if there was a good reason for the proposed building being in such contrast with the Victorians next door and Mr. Kernan indicated that it is in the same scale as the Victorians, but that the Commission was not approving the design tonight and Mr. Lee's concerns would be taken back to the developers architect.

Mr. Edmund Ong, Chief of Architecture, indicated that the plans presented today are the first design approach, as the developer wanted to wait until Exclusive Negotiations were approved before proceeding with the design review process.

Ms. Berk indicated there are few facilities for infants and this group in particular has done something hardly anybody else does because they not only provide child care for children of that age, but also recognize their needs in working with the parents and the kids. And though Mr. Hollis would rather see residential than institutional use on this site, she believed it a marvelously worthwhile use of any space the Agency could find for PINC.

Mr. Newman noted his concern that four months might not be enough time considering the problems PINC faces in raising the funds to build the facility. Mr. Melvin Miles, PINC representative, indicated that, if necessary, they would request an extension.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mark Wilder requested a thirty day extension of the termination date of the LDA with Ellis Street Associates, Ltd., for 1917 Ellis Street in the Western Addition A-2. David Oster, Assistant Agency Counsel, indicated that unless an extension was granted, the LDA would terminate on September 5, 1985. He also stressed the importance of a rapid performance schedule since the property is under continuing abatement proceedings with a return court appearance set for September 26, 1985, at which evidence of progress would need to be produced.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE TERMINATION DATE OF THE LDA WITH

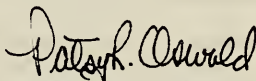
ELLIS STREET ASSOCIATES, LTD. BE EXTENDED UNTIL CLOSE OF BUSINESS ON SEPTEMBER 10, 1985, DURING WHICH PERIOD DISCUSSIONS WOULD TAKE PLACE WITH MR. WILDER TO ENABLE STAFF TO EVALUATE THE SITUATION AND RETURN WITH A RECOMMENDATION TO THE COMMISSION AT THE NEXT MEETING ON SEPTEMBER 10, 1985.

President King announced that pursuant to Government Code Section 54956.8 the meeting would be adjourned to a Closed Session to be held at 3:00 p.m. on the 10th day of September, 1985, in the Fourth Floor Conference Room at 939 Ellis Street in the City of San Francisco, California, for the purpose of giving instructions to the Agency's negotiators regarding the disposition of Parcels 726, 731, 732 and portions of 707 and 749 in the Western Addition A-2 Redevelopment Project Area to Housing Associates, Inc.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session as stated by President King. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

October 22, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF SEPTEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10 th day of September, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

none

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were James San Jule, Fillmore Associates, Inc.; Francis H. Barnes, Job Cost Control Systems; Dick Smith, March Construction Company, Inc.; Jacob Lehrer, O'Douoghue, Inc.; Allen Jordan, J.D. Gardening; Mary Helen Rogers, WAPAC; Nicola E. Smith, TBC; Ocie M. Rogers, Hunters Point; Ida Nolen, Ruby Hicks, Annie L. Jackson, Roberta Hughes, Adell Berkins, Mae Stubblefield, Fannie Coleman, Dorothy Kerr, Florence McDaniel, Bert Hull, Herman Griffin, N.M. and Mable Stewart, Ella Romans, Louise Pugh, Alfred L. Jackson, Lillie T. Jones, Ruby Perkins, William Cody, Peter Wilhelm, Robert Reece, Western Addition Senior Citizens Center.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of August 6, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Ribbon Cutting Ceremonies were held on September 6 for the Amancio Ergina Village, Inc. a 72-unit development at Scott and O'Farrell.
- (b) On September 12 from 5:30 to 7:30 Open House will be held for MacPherson Leathers new plant at 1201 Evans Avenue in the India Basin Industrial Park.

- (c) The regular Wednesday meeting of the Board of Supervisors' Finance Committee has been changed to Friday, September 13. Three Redevelopment Agency items will be considered at that meeting. The residential mortgage revenue bonds for Rincon Center Associates; The 1986 Budget; and CB-3 Lease for Yerba Buena Center.
- (d) On September 17 at 7:00 p.m. there will be a Public Hearing on the 1986 Community Development Preliminary Proposal in the Board of Supervisors' Chambers.

UNFINISHED BUSINESS

- (a) Mr. Kernan reported on item (a) as follows. This item was held over from last week's Commission Meeting when the termination of September 5, 1985, of the LDA with Ellis Street Associates, Ltd. for 1917 Ellis Street in the Western Addition A-2 was extended until the close of business on September 10, 1985. During this period discussions were to take place with Mark Wilder, the General Partner, to enable staff to evaluate the situation and return with a recommendation at the Commission Meeting today.

Mr. Wilder indicated negotiations for a financing commitment were in process with Continental Savings & Loan from whom a decision is expected to be forthcoming on September 11.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT THE TERMINATION DATE OF THE LDA WITH ELLIS STREET ASSOCIATES, LTD. BE EXTENDED UNTIL CLOSE OF BUSINESS ON SEPTEMBER 17, 1985.

NEW BUSINESS

- (a) Resolution No. 265-85 requests authorization to extend Exclusive Negotiations, until November 20, 1985, with Fillmore Associates for Parcel 726-A located on the southwest corner of Fillmore and O'Farrell Streets in the Western Addition A-2.
- (b) Resolution No. 266-85 requests authorization of a Ninth Amendatory Agreement which extends the performance Schedule for approximately sixty days to the LDA with the Third Baptist Church of San Francisco, Inc. for Parcel 750-A bounded by Eddy, Fillmore, Turk and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) and (b) as follows. In December 1983 exclusive negotiations were authorized with Fillmore Associates for the development of 164 market-rate condominiums with ground floor commercial space. In May 1982 an LDA was authorized with the Third Baptist Church for a commercial/office building, school and sanctuary. Subsequently several extensions have been granted to both developers to provide time for review of an unsolicited proposal for development of the Fillmore Center from Donald Tishman. A presentation of this proposal was made at

NEW BUSINESS (continued)

a Workshop on June 18, 1985. Since review of the proposal continues, these further extensions are being requested. Both developers have entered into preliminary agreements with Mr. Tishman to act as co-developers in the Fillmore Center venture and have acknowledged that, in the event of approval of the Tishman proposal, their rights will need to be terminated in favor of an LDA for that comprehensive development. Appropriate language to that effect has been incorporated in the exclusive negotiations resolution and in the amendatory agreement.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-85 BE ADOPTED.

- (c) Resolution No. 267-85 requests authorization of Exclusive Negotiations, until January 8, 1986, with the Western Addition Senior Citizens Center, Inc. for Parcel 780-H located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. WASCC is a private non-profit organization that provides meals and other services to senior citizens living in the Western Addition. They are now leasing space from Royal Adah Arms at Fillmore and Turk, along with a small space on Hayes for meals service only. Their request includes applications for construction funds totalling \$1.2 million from the San Francisco Commission on Aging and the Mayor's Office of Community Development, which would cover purchasing the land and estimated construction costs. In addition, the Family Service Agency has expressed an interest in locating one of its mental health programs in the development and the John Stewart Company is investigating the possibility of including housing for senior citizens. The developer has requested exclusive negotiations to demonstrate site control as required by both grants.

Mr. Fred Hubbard, Western Addition Senior Citizens Center representative, explained the services they provide, the need for larger facilities and requested favorable consideration by the Commission.

WASCC Board Members, Mr. Bob Reece and Ms. Ellie Romans spoke in support of this item.

Mr. Commons stated that this development appears to be an exceedingly worthy cause and inquired about the status of the grants and whether exclusive negotiations to January 8th was realistic.

NEW BUSINESS (continued)

Mr. Kernan indicated that an extension would probably be required, however, during exclusive negotiations it would be determined if the grants could be obtained in order to proceed with the development.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-85 BE ADOPTED.

- (d) Resolution No. 268-85 requests authorization of Exclusive Negotiations, until November 11, 1985, with O'Donoghue Industries, Inc. for Parcel AA-2 located on the northerly side of Keith Street between Hudson and Fairfax Avenues in Hunters Point.

Mr. Kernan reported on item (d) as follows. The negotiated sale of this site was authorized in May 1985 following the failure of the previously designated developer to provide satisfactory evidence of financing by the LDA termination date. Since that time, the Agency has received two development proposals. Subsequently, one of the BARCO partners, Richard Smith, desires to reinstate the previously approved proposal. A second proposal received from O'Donoghue Industries has been found to be more feasible. The proposal is to construct 28 three-bedroom townhouses and 20 two-bedroom flats, with parking facilities. Sales prices would range from \$76,500 to \$102,500. Design plans call for several building clusters of one-and two-story frame construction focusing on a new internal street. The developer has purchased a City bond commitment of \$2,250,000, which would be sufficient for approximately 50% of the units. The City has informally indicated that the remaining 50% might be covered either by reprogramming of 1984 bond funds or by an anticipated 1986 bond issue for which the developer would be given a priority position. In any event, take-out financing is expected to be available for all 48 units by the time of conveyance. Mr. O'Donoghue is an experienced home builder with excellent financing references. He has a much larger take-out commitment than Mr. Smith and would build the project in one phase whereas Smith would develop in two or more phases.

Mr. Kendall Hobbs, attorney representing Mr. Richard Smith, spoke in opposition to the exclusive negotiations with O'Donoghue Industries and requested an LDA be entered into with Mr. Smith.

Mr. Smith explained the difficulties he encountered with the processing of his plans which had been in the Building Department for two years and were now missing.

Ms. Berk left the meeting at this time, 4:50 p.m.

Mr. Tim O'Donoghue indicated that this was the first time he was aware of the interest of anyone else in developing the parcel and that he was ready to proceed with his project as presented.

NEW BUSINESS (continued)

Ms. Berk returned to the meeting at this time, 4:55 p.m.

Mr. Lee said he found it difficult to understand why replacement plans had not been submitted when Mr. Smith became aware the original plans had been lost.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-85 BE ADOPTED.

- (e) Resolution No. 269-85 requests authorization of a First Amendment, which modifies the Indemnification Section, to the Personal Services Contract with Peat, Marwick, Mitchell & Company (PMM); Morris, Day & Company; and Check Tan, a Consortium.

Mr. Kernan reported on item (e) as follows. This contract was authorized in June 1985 and included an indemnification section requiring the Consortium to indemnify the Agency for all damages or liability, except those resulting from the acts or omission of the Agency. Because staff desired to have the Consortium undertake services immediately in order to complete the audit within the desired time after the close of the fiscal year, the form of the contract was discussed with the Consortium's local personnel, but not reviewed by PMM legal staff in New York. As a result of a subsequent review, Peat, Marwick, Mitchell has requested modification of the Indemnification Section to provide that the Consortium is responsible for its own acts or omissions, but not those of third parties of the Agency. Since all financial data is derived from the Agency's books and reviewed by the Director of Finance, it is considered there is very minimal exposure to acts or omissions by third parties. Discussions with the Controllers' offices of the City and County of San Francisco, and the County of Los Angeles, revealed that, although the language varies, the intent is the same and acceptable to them.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-85 BE ADOPTED.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (f). The meeting recessed at 5:00 p.m. The meeting reconvened at 5:10 p.m. with the same roll call.

- (f) Workshop for Western Commercial Partnership and their Architect, Bechtel Corporation, to present a revised development and design proposal for the Parcel 708-B located at the southwest corner of Geary Boulevard and Webster Streets in the Western Addition A-1 and A-2 and for staff to comment on the overall design.

Richard Young, Architect for this development, gave an overview of the project. Edmund Ong, Chief of Architecture noted the design concerns.

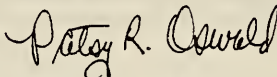
NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT THIS PROJECT BE APPROVED IN CONCEPT.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

October 29, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF SEPTEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of September, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

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H. Jesse Arnelle

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Bruce E. Loughridge, Spergel & Loughridge; Chris Bense, Bense & Hartz; Ocie Mae Rogers, Hunters Point; Oscar and Barbara Turner.

Representing the press was Jim Kelly, San Francisco Progress

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of August 20, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Yesterday, the Full Board of Supervisors passed the Finance Committee's recommendation for \$48,000,000 Residential Mortgage Revenue Bonds for the Rincon Annex development and also the First Amendment to the Project Lease for CB-3 in Yerba Buena Center.
- (b) Staff will be covering the Public Hearing on the 1986 Community Development Preliminary Proposal at 7:00 p.m. this evening in the Board of Supervisors' Chambers at City Hall.

UNFINISHED BUSINESS

- (a) Mr. Kernan reported on item (a) as follows. This item was held over from last week's meeting when the termination date of the LDA with Ellis Street Associates, Ltd., for 1917 Ellis Street in the Western Addition A-2 was extended until the close of business on September 17, 1985. At the last Commission Meeting Mr. Mark Wilder, General Partner, indicated that a decision from Continental Savings of America regarding an application, which had been submitted for a construction financing commitment, was expected to be forthcoming on September 11. The lender advised that, although they would be granting loans for "special projects" in 60-90 days, there is no guarantee that funds will be allocated for this project and suggested alternative sources be sought if immediate funding is required. Subsequently, Mr. Wilder indicated that a further meeting had been scheduled for September 13 with Continental and he would report on that meeting today. It should be pointed out that the building is under abatement proceedings with the next court appearance scheduled for September 26, 1985, when the Agency is obligated to provide substantial evidence for any time extension granted.

Mr. Wilder reported that Continental had advised that financing could not be obtained at this time, and requested an opportunity to seek reconsideration if he could obtain financing within sixty days and prior to the time of an Agency public offering.

Mr. Kernan indicated that he assumed Mr. Wilder understood there are no rights at this point, however, consideration could be given to reinstatement of the LDA in the event of a financing commitment being obtained before mailing of a public offering.

Mr. Wilder confirmed his understanding of the situation as outlined by Mr. Kernan.

Mr. Borregard, Agency General Counsel, indicated that, since there would be no further legal commitment to Ellis Street Associates, a public offering could be prepared and the Superior Court would be so advised. The court would also be informed that, if Ellis Street Associates is able to secure financing before mailing of the offering, then consideration could be given to reinstatement of the LDA at that time.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, no action would be taken at this time. However, in the event a financing commitment is obtained by Ellis Street Associates, Ltd. before mailing of a public offering, the reinstatement of the LDA may be considered. There being no objection, it was so ordered.

NEW BUSINESS

- (a) A Public Hearing to hear all persons interested in an LDA for Parcel 1126-G, 1225-29 Divisadero Street in the Western Addition A-2.

NEW BUSINESS (continued)

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 270-85 requests authorization of an LDA with B & H Redevelopment Group for 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In June 1985 exclusive negotiations were authorized with James Hart and Christian Bense for rehabilitation of this three-story Edwardian building that was constructed in 1906 as four residential rental units. Since that time, Mr. Hart and Mr. Bense have formed B & H Redevelopment Group, a California Limited Partnership, with each acting as General Partners. Sufficient evidence of financial capacity and experience to undertake the project have been provided. The Performance Schedule calls for submission of evidence of financing by July 2, 1986 and conveyance of the site by September 17, 1986.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

- ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-85 BE ADOPTED.
- (b) Resolution NO. 271-85 requests authorization of a First Amendatory Agreement to the LDA with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In July 1985 an LDA was authorized for rehabilitation of this two-story Victorian building that was constructed in 1876. An extension is now being requested, based upon the desire of the developers to occupy the property. It is intended to retain the services of a new architect that they have worked with recently on other developments and whom it is felt can achieve a more personalized design scheme than their current architect. The already approved design would be retained with most of the design changes being in the interior of the building. The proposed First Amendatory Agreement would extend the submission of evidence of financing to May 23, 1986, with the conveyance date of July 2, 1986, remaining unchanged.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-85 BE ADOPTED .

Mr. Turner thanked the Commission for granting the extension and conveyed his appreciation of assistance rendered by staff.

- (c) Resolution NO. 272-85 requests authorization of a First Amendatory Agreement to the LDA with Herman and Irene Yarbrough and Lillie Collins for 1401-1405 Gough Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (c) as follows. In July 1984 an LDA was authorized for rehabilitation of this three-story building as five residential condominium units. In April 1985 the conveyance date was extended to allow time for re-design of a second means of egress for two of the units as required by the Bureau of Building Inspection. A second extension, approved in July 1985, provided additional time for processing of the building permit. All documents have been completed and submitted to the Building Department. However, Time Savings and Loan, from whom a construction financing commitment had previously been obtained, now advise that due to re-organization of their Construction Loan Department, construction loans are not being made at this time. Staff has verified this information with Time Savings who indicate the only assistance they will provide is referral of the developers' application to other lenders. The scheduled conveyance date of September 18, 1985, therefore cannot be met. Since all other LDA pre-conveyance requirements have been complied with, it is proposed to extend submission of evidence of financing to October 30, 1985 and conveyance of the site to December 18, 1985.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-85 BE ADOPTED.

- (d) Resolution No. 273-85 requests authorization of Amendment No. 1 to the Personal Services Contract RPSB-2-Soils with Harding Lawson Associates in connection with Rincon Point-South Beach .
- (e) Resolution No. 274-85 requests authorization of Amendment No. 1 to the Personal Services Contract RPSB-7 - Geotechnical with Harding Lawson Associates in connection with Rincon Point-South Beach.

Mr. Kernan reported on items (d) and (e) as follows. Both contracts provide that the Consultant shall carry Errors and Omissions insurance in an amount of \$250,000 for damages resulting from errors, omissions or negligence in the services rendered. It is also provided that insurance coverage, subject to a maximum deductible amount of \$50,000 will be allowed when supported by a letter from the Consultant stating his financial ability to pay and agreeing that the deductible amount be paid out of his assets, should any damages arise. Harding Lawson are presently providing Errors and Omissions insurance coverage in an amount of \$1 million to each of the contracts with the required deductible of \$50,000 each. The cost for providing this insurance has increased considerably resulting in the Consultant requesting that the deductible be increased to \$100,000 to assist in reducing such cost. They have also submitted the required letter dated August 22, 1985, guaranteeing payment of the deductible amount in the event of damages arising from their errors, omissions or negligence. The Consultant's capability and agreement to pay out of his assets such deductible amount should circumstances so warrant, leaves the Agency with coverage equal to the original contract requirement.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-85 BE ADOPTED.

Mr. Commons inquired as to what assurance did staff have that the contractor, in this case, is capable of meeting the \$100,000 deductible in the event there is a loss. Mr. Salvador, Chief of Engineering & Rehabilitation indicated that a letter dated August 22, 1985, guaranteeing payment of that amount had been submitted together with the firm's audited financial statement showing its capability of paying the deductible, if required.

- (f) Resolution No. 275-85 requests authorization of Royston, Hanamoto, Alley & Abey (Royston) as the landscape architectural firm for the Central Block 1 (CB-1) Hotel in Yerba Buena Gardens, Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. YBG Associates has requested Agency approval of the Royston firm, as required by the Disposition and Development Agreement, when selecting design firms. They would be responsible for providing landscape design services, which include all street level and motor court paving designs, building planters, and the garden on the fourth level. The services for the exterior of the building are to be carried out in accordance with the "design palette" to be established for the entire CB-1 landscaping. This palette is to be developed by the firm selected by YBG Associates for the remainder of the block and will include street furniture, lighting and planting. The Royston firm, formed in 1958, has provided services for all aspects of landscape architecture and planning, both in the United States and abroad. Numerous national and design awards attest to the high quality and success of its work. Particular expertise has been demonstrated in working with local, State and Federal agencies in conducting public meetings and community workshops, in managing multi-disciplinary teams, meeting construction budgets and preparing construction documents. The firm has worked satisfactorily in other Redevelopment projects, including Diamond Heights, Hunters Point and the Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 276-85 requests authorization to extend the Conveyance Date to November 21, 1985, to the LDA with Bruce Loughridge and Lawrence Spergel for 1402-1404 Post Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. In May 1984 an LDA was authorized for rehabilitation of this three-story, 1890 Victorian building as four residential condominiums. Four amendments were subsequently approved extending the Performance Schedule for submission of revised rehabilitation documents, evidence of financing and to obtain the necessary building permit, contractor's performance bond and fire insurance. All these requirements have now been complied with except for obtaining the building permit, contractor's performance bond and fire insurance. The remaining documents are ready to be picked up; however, an updated title report received indicated a lis pendens recorded against the property within the last few weeks by Mr. Roy Chew, the former owner, in connection with his recently filed Complaint for Specific Performance. Since the Agency is named as a defendant, it is unable to convey marketable title to the property. By letter to the Agency dated September 16, 1985, the developers have confirmed their intent to continue with the development, resulting in the requested extension to allow time for them to resolve the outstanding issue with their lender. Also, during this period, appropriate action will be taken by the Agency's Legal Division.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-85 BE ADOPTED.

- (b) Resolution No. 277-85 requests authorization for the Acting Executive Director to travel to Phoenix, Arizona, to attend the Urban Land Institute (ULI) Fall Meeting at a cost not to exceed \$2,000, from October 9 through the 12, 1985.

Mr. Kernan reported on item (b) as follows. The majority of members of this organization are involved in real estate and development fields, as well as professional in related activities. These meetings feature thoroughly researched presentations of development cases which illustrate various aspects of land use, planning, financing and development implementation. Since staff is involved in many issues that will be discussed, participation will be beneficial to the Agency.

ADOPTION: IT IS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-85 BE ADOPTED.

- (c) Requests approval of Amendments to the Agency's proposed 1986 Budget.

Mr. Kernan reported on item (c) as follows. The subject amendments resulted from discussions by staff and the Mayor's Office and would amend the Budget as detailed on a form that had been provided to the Commissioners. Basically amended are the tax increment requests in Hunters Point; India Basin and Rincon Point-South Beach. Three major changes are: a reduction in staff positions consistent with the recommendation of Deloitte,

NEW BUSINESS (continued)

Haskins & Sells; withdrawal of a request for funds for the further development of the twenty acres in Hunters Point, following a request from the Navy that the property be removed from the Surplus list; and a modification of the projected availability of tax increment funds in Rincon Point-South Beach.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE AMENDMENTS TO THE AGENCY'S PROPOSED 1986 BUDGET BE APPROVED.

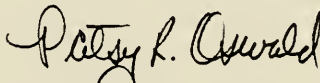
President King announced that the meeting would be adjourned to a closed session regarding the following:

1. "At the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(c)."
2. At the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Civil Service Association, Local 400, SEIU, AFL-CIO and Kevin Williams vs. San Francisco Redevelopment Agency."
3. Pursuant to Government Code Section 54956.8 there will be a closed session for purpose of giving instructions to the Agency's negotiators regarding the disposition of parcels 726, 731, 732 and portions of 707 and 749 in the Western Addition A-2 Redevelopment Project Area to Housing Associates, Inc.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on the items listed above by the President. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

December 10, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF SEPTEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of September, 1985, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President
H. Jesse Arnette
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

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Leroy King, President (arrived at 4:38)

The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Fred Jordan, F.F. Jordan Associates, Inc.; Steve Parliament, John Stewart Company; Leonard Gordon, Terry Rawlins, Ella Hill Hutch Community Center.

SPECIAL APPEARANCES

Mr. Leonard Gordon and Mr. Terry Rawlins representing the Ella Hill Hutch Community Center appeared before the Commission to convey appreciation of the assistance of Agency employees, Ms. Shirley Wysinger and Mr. Charles Jones who had been instrumental in the development of a comprehensive program in the Community Center. Commemorative plaques were presented to Ms. Wysinger and Mr. Jones in recognition of their services to the Center. Acting President Newman thanked Mr. Gordon and Mr. Rawlins for the recognition of these two outstanding employees by the Ella Hill Hutch Community Center.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On September 23, the Board of Supervisors passed on second reading the First Amendment to the Project Lease for CB-3 in Yerba Buena Center. The vote was 9-1 with Supervisor Kopp voting in the negative.

- (b) On, September 25, the Finance Committee of the Board of Supervisors will meet at 2:00 Room 228, City Hall, to consider the Agency's 1986 Budget. The Full Board of Supervisors will then consider it on September 30.

NEW BUSINESS

- (a) Resolution No. 278-85 requests authorization of a First Amendment, which reduces the insurance requirement from \$2 million to \$1 million, to the Personnel Services Contract with Arthur Silvers in connection with the Fillmore Center in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. This contract, authorized in March 1985, provides for the ongoing services of Mr. Silvers and requires comprehensive liability insurance in an amount of \$1 million each for bodily injury and for property damage, or a combined single limit of \$2 million. Due to considerations unique to professional architects and engineers, the only way of securing coverage in excess of \$1 million is by obtaining errors and omissions coverage, at an annual cost of \$6,000-\$7,000, which is not required by the subject contract. It is therefore proposed to reduce the amount of comprehensive general liability insurance required from a combined single limit of \$2 million to \$1 million, thereby eliminating the unnecessary cost of errors and omissions coverage. In view of the nature of Mr. Silvers' work under the contract, it is considered that the proposed amendment is reasonable and the resulting level of coverage sufficient to protect the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 279-85 requests authorization to execute various documents which modify existing loan agreements with Amancio Ergina Village, Inc. in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Following last minute negotiations the sale of all of the cooperative shares of the project will not be sold and closed within the time anticipated. There is a need for restructuring of the terms of the project debts, including those owing to the Agency. Given the history and desirability of this project, this approach, which will be explained by Mr. Steve Parliament, Vice President of the John Stewart Company, representing Amancio Ergina Village, and Mr. David Oster, Assistant Agency Counsel, is considered reasonable.

Mr. Parliament indicated that of the 72 units that now have certificates of completion, 37 buyers are ready to close mortgages on September 27. It had originally been expected that all 72 units would close on September 27; however, because of the

NEW BUSINESS (continued)

partial closing of 37 units, it is now necessary to have all secured parties release their deeds of trust to allow the closing of the 37 buyers. It is, therefore, proposed to close 37 units that are in place and all parties who have contractual obligations are being requested to agree to a loan Satisfaction Agreement with the construction lenders to repay those funds when the balance of the units sell. The construction lenders are asking that the Agency agree to remove a deed of trust for \$11,362, which is outstanding on the entire project. This requires authorization for the Executive Director to negotiate the necessary paperwork to close the 37 units. Mr. Parliament further explained the current situation with regard to City bond funding, which is anticipated to be extended for another nine months.

Mr. Oster indicated that essentially the Agency is being asked to give up a secured position on a debt of \$11,362, and its other existing debt of approximately \$50,000 would be in the same unsecured position that it is under the existing agreement. The resolution before the Commission authorizes execution of an agreement deemed appropriate in the circumstances to protect the interests of the Agency.

Mr. Lee said he was prepared to support the motion based upon the understanding that Agency Legal Counsel is satisfied with the proposed arrangements.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-85 BE ADOPTED.

Acting President indicated that the meeting would be recessed to the fourth floor conference room for item (b) under New Business. The meeting recessed at 4:30 p.m. The meeting reconvened at 4:35 p.m. with the same roll call.

NEW BUSINESS (continued)

- (b) Mr. Kernan reported on item (b) as follows. Representatives of YBG Associates are here today to report on the progress that has been made to address the Agency's design concerns relative to the schematic approval of the Marriott Hotel. Staff and consultants consider that satisfactory progress has been made to address the design concerns. A formal submission of the Preliminary Drawings is scheduled for October 3rd. Following evaluation of this submission, a recommendation for Commission action will be made within the six weeks provided in the DDA.

President King joined the meeting at this time, 4:38 and resumed the chair.

NEW BUSINESS (continued)

Mr. Tony Lumsden, the developers' architect from DMJM Associates, presented the design concept for the Marriott Hotel; Mr. Edmund Ong, Chief of Architecture, noted his concerns and Mr. Ralph Rapson, the Agency's architectural consultant, also commented on the design.

After discussion between the Commission, staff, consultants and the developer's architect, President King announced that the meeting would be moved to the Japanese Cultural and Trade Center (JCTC) located in the blocks bounded by Post, Geary, Webster and Laguna Streets in the Western Addition A-1 for the purpose of inspecting various sites in said area.

Ms. Berk and Mr. Newman left the meeting at this time, 5:10 p.m.

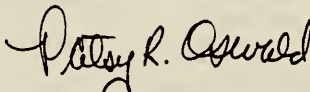
The meeting moved at 5:10 p.m. and reconvened at the site at 5:20 p.m. with the following roll call:

Leroy King, President
H. Jesse Arnelle
Dorman L. Commons
Melvin Lee
Haig G. Mardikian

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 26, 1985

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of October, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President
Melvin D. Lee (arrived 4:15 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Dr. Rhody A. McCoy, Gary Miller, Future Perfect; Ocie Mae Rogers, Hunters Point.

Representing the press were: Jim Kelly, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of August 6, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session of August 27, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, and seconded by Mr. Arnelle, and unanimously carried that the minutes of the Closed Session of September 10, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of September 17, 1985, as distributed by mail be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On September 28, at Pier 40, South Beach, there was a Berth Day party to conduct a lottery for those who wanted to select boat berths early. It was a very successful event with over 200 people in attendance. With 683 berths to be constructed, staff received over 300 applications. The small boat harbor will be completed by Summer of 1986. Also in attendance, were a number of staff members whose efforts greatly contributed to the success of this event.
- (b) September 30 was the closing date to submit proposals on Offering No. 11, which is Site 9 located on the southwest corner of Third and Folsom in Yerba Buena Center. Of the 15 packages sold to interested developers, three submitted proposals. Alvin Dworman, dba as San Francisco Development, submitted the proposal of the highest value for 233 residential units with supporting commercial on the ground floor, \$4,252,000. The proposals are being evaluated by staff and a recommendation will be brought before the Commission next week.
- (c) On September 30, the Board of Supervisors approved the Agency's 1986 Budget 10-0. This is the first use of tax increment for administrative purposes by the Agency. President King thanked Commissioners Berk and Commons for being in attendance when the Budget was presented to the Finance Committee. Commissioners Berk and King commended staff on their efforts with regard to the Budget and complemented Mr. Kernan on an excellent presentation.
- (d) New employees Linda Green, Toni Mayeng, Patricia Rinaldo and Carol Watson are in attendance as part of their orientation.

NEW BUSINESS

- (a) Resolution No. 280-85 requests authorization of a Fourth Amendatory Agreement which revises the Performance Schedule to the LDA with Future Perfect, Inc. for Parcel D located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.
- (b) Resolution No. 281-85 requests approval of the Schematic Design Submittal of Future Perfect's development.

Mr. Kernan reported on item (a) and (b) as follows. Due to an extremely tight schedule, the developer has opted to use the "fast track" method of initiating commencement of construction as permitted by the LDA. To accommodate this situation, the performance schedule would extend the submission of preliminary construction documents from October 9 to November 6, 1985 and submission of final construction documents from November 6, 1985

NEW BUSINESS (continued)

and March 12, 1986. The November 20, 1985 date for submission of evidence of financing and the December 4, 1985 conveyance date remain unchanged. On August 21 the developer presented a different approach to the facade treatment by a new architect, Mr. Terry Atkinson, which consists of stucco facades highly articulated with columns, parapets and fenestration, rather than the previous proposal for a streamlined glass and metal building. The overall orientation, general massing and general site planning aspects, as approved by the Commission, remain unchanged. Staff has worked closely with the new architect to refine and unify the proposed facade treatment and now recommends approving the Schematic Design Submittal, subject to the satisfactory resolution of architectural concerns during the preliminary design phase. The land price expiration date is December 5, 1985. The developer has been advised that the land will be reappraised if not conveyed on or before that date and has indicated the conveyance date is expected to be met. It is considered that the support of this pioneering effort to develop a new commercial center in the Third Street corridor should continue.

Thomas Ma, Senior Architect, noted staff's design concerns and indicated that these concerns are expected to be resolved during the next design phase.

Mr. Lee arrived at this time, 4:15 p.m.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-85 BE ADOPTED.

- (c) Resolution No. 282-85 requests authorization to release Campeau South Beach Properties from its obligations under its Owner Participation Agreement (OPA), upon assignment to Joseph J. Weiner, of the commercial portion thereof located at the southwesterly corner of First and Brannan Streets in Rincon Point-South Beach.
- (d) Resolution No. 283-85 requests authorization of a Fourth Amendatory Agreement to the Owner Participation Agreement with Campeau South Beach Properties, which clarifies the definition of "Development Costs" and "Lease-up Cost" for Site I-1 and I-2, a portion of the block bounded by First, Townsend, Colin P. Kelly, Jr. and Brannan Streets in Rincon Point-South Beach.

Mr. Kernan reported on items (c) and (d) as follows. In June 1984 OPA was authorized with Campeau which provided for the construction of 402 dwelling units, the rehabilitation of the Oriental Warehouse and construction of a 91,000 square foot office building. In accordance with the OPA terms, the Agency

NEW BUSINESS (continued)

purchased the office building site for lease to Campeau when they are ready to proceed with rehabilitation of the Oriental Warehouse. However, because of the inability to obtain a private funding commitment, Campeau has twice failed to secure a UDAG and now desires to assign the portion pertaining to the Oriental Warehouse and Office Building to Mr. Weiner who has been a limited partner of Campeau until this time. In addition, a proposal from Campeau to assign the residential portion to another developer is expected to be forthcoming shortly. Although Campeau has the right to assign its obligations under the OPA without Agency consent, it has requested formal release from any obligations under the commercial portion of the OPA which does not require such consent. Mr. Weiner has requested this Fourth Amendatory Agreement to clarify the extent of Agency participation under the ground lease for the new office building. Under the OPA, if permanent financing is obtained in excess of 90% of the construction costs or short term financing in excess of 100% of construction and lease-up costs, an additional ground rent is due the Agency. Mr. Weiner has submitted satisfactory evidence that he has experience and adequate financial strength necessary to undertake this complex and difficult project. Mr. Weiner hopes to reactivate the UDAG and obtain a private financial commitment. The proposed Fourth Amendatory Agreement does not change the terms of the business agreement with regard to the office building site and it is acceptable to staff.

Mr. Borregard, Agency General Counsel, indicated that when the OPA Performance Schedule with Campeau was extended on July 30, 1985, due to a technical oversight, the filing date for a separate Affirmative Action Plan remained at April 15, 1985. However, included in action being taken today, is an extension of the filing date to November 18, 1985, which is consistent with all the other performance dates Mr. Weiner will be required to meet.

Mr. Mardikian inquired if a variance or additional density had been granted for this development. David Stoloff, Senior Development Specialist indicated that a density bonus had been granted for low-and-moderate income housing, but not committed to the commercial portion. There is not connection in the bonus between the residential and commercial portions of the development.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-85 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 284-85 requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Miami Beach, Florida, October 11-17, 1985, to attend the NAHRO 1985 National Convention and Exhibition at a cost not to exceed \$1,670.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner item (e) would be held pending further information regarding expenses involved in Mrs. Sause participation in NAHRO activities. There being no objection it was so ordered.

MATTERS NOT APPEARING ON AGENDA

- (a) Requests authorization of an expenditure of \$1,969.75 to the Recorder for recordations in connection with Yerba Buena Center.

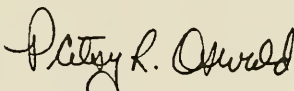
Mr. Borregard, Agency General Counsel, indicated that this expense had been incurred in connection with a McEnerney for the YBC project. Costs generally range from \$300 to \$600, but in this case the advertising was so extensive that the amount exceeds the normal purchase authority limit and therefore requires Commission approval.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT PAYMENT OF \$1,969.75 TO THE RECORDER BE AUTHORIZED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

December 3, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:25 o'clock p.m. on the 8th day of October, 1985, the place and date duly established for the holding of such meeting.

The By-laws require that in the absence of a President and Vice-President the Commissioners shall select a Commissioner as Temporary President for the purpose of conducting the meeting and performing the duties of the President.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED AS TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
H. Jesse Arnelle
Dorman L. Commons
Melvin D. Lee

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and the following were absent:

Leroy King, President
Walter S. Newman, Vice President
Haig G. Mardikian

The Temporary President declared a quorum present.

Wilbur W. Hamilton, Executive Director, Redmond F. Kernan, Senior Deputy Executive Director, and staff members were also present.

Also present were: L. Patrick Knapp, WANA; Michaela Cassidy, TAC-YBC; Ralph B. Buinge, J-Dart Development Inc.; Marwin Marx, Mistro Park; Mary Rogers, WAPAC; Joel Lance, Joel Lance & Associates; Brenda Bracy, WACC; M. O'connor, Perini Corp.; Jim Hopkins, Ocie M. Rogers, interested citizens.

Representing the press were Jim Kelly, San Francisco Progress; Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of July 9, 1985, as distributed by mail to the Commissioners, be adopted.

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of August 27, 1985, as distributed by mail to the Commissioners, be adopted.

REPORT OF THE EXECUTIVE DIRECTOR

Senior Deputy Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Wilbur Hamilton has returned to the Agency in his capacity as Executive Director. However, since the memos were signed by Redmond Kernan, relative to this meeting, he will make the reports.
- (b) Congratulations are in order to Ms. Berk who has been re-appointed by the Mayor to the Agency Commission and will be going thru the affirmation process with the Board of Supervisors in the near future.
- (c) The Agency's Offices will be closed October 14, in observance of Columbus Day.

Mr. Kernan indicated that it is staff's recommendation that item (a), Unfinished Business be tabled and items (g) and (k), New Business, would be continued for one week.

UNFINISHED BUSINESS

- (a) Resolution No. 284-85 requests authorization for Helen Sause, Project Director, Yerba Buena Center, to attend the NAHRO National Conference in Miami, from October 11 to 17, 1985.

RULE OF THE CHAIR: Temporary President Berk indicated that, subject to the objection of any Commissioner, item (a), Unfinished Business would be tabled.

NEW BUSINESS

- (a) Resolution No. 285-85 requests authorization of a Second Amendatory Agreement, which revises the Performance Schedule, to the LDA with Nolan Frank for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. An LDA was authorized in October 1984 for construction of 15 market-rate residential condominiums and approximately 2,000 square feet of retail space. In May 1985 a First Amendatory Agreement extended the submission dates by ninety days to allow time to revise the design of the development which was felt by Mr. Frank to be over-designed for the market. He retained the services of architect Arthur Silvers to make the necessary cost changes. However, the August 7, 1985 submission date for final construction documents was not met, resulting in the LDA being placed in default providing a thirty-day cure period to submit these documents. During this period Mr. Frank advised that Mr. Silvers was now the development architect and that a complete redesign was needed. Concept drawings have been completed which staff feels is an acceptable

NEW BUSINESS (continued)

approach. The revised Performance Schedule calls for submission of evidence of financing by September 3, 1986 and conveyance of the site by October 8, 1986. The developer has been informed that if the site is not conveyed by April 30, 1986, the land will be reappraised and language to that effect has been added to the Second Amendatory Agreement.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-85 BE ADOPTED.

- (b) Resolution No. 286-85 requests authorization to refund a Security Deposit of \$6,255 to Ellis Street Associates, Ltd. in connection with the LDA for 1917 Ellis Street in Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In September 1984 an LDA was authorized and two subsequent amendments were approved in January and May 1985 revising the Performance Schedule. The developer was notified in writing on August 15, 1985 of the Agency's intent to exercise its option to terminate the LDA due to failure to comply with the LDA Performance Schedule. One week extensions were granted on September 2, and 10, 1985 to provide additional time for the developer to pursue financing for the project. On September 17, 1985, the LDA terminated by its own terms and on September 25, 1985 the developer submitted a request for a refund of the security deposit which can only be returned by order of the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-85 BE CARRIED.

- (c) Resolution No. 287-85 requests authorization to request the vacation of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 and to pay \$2,500 to the Department of Public Works as required by the Board of Supervisors.

Mr. Kernan reported on item (c) as follows. The WA-2 Redevelopment Plan and the Cooperation Agreement with the City provides for the vacation of this portion of Ellis Street and for subsequent conveyance of the City's interests in the street area to the Agency. In 1976 the Board of Supervisors adopted the required street vacation legislation. However, because the street area was not needed for inclusion for a development parcel, the deed was not recorded within two years of adoption of the legislation thus rendering it null and void. The present plans advanced by Housing Associates, Inc. contemplate utilization of this street area, subject to appropriate utility easements. For those plans to be financed under the current tax free revenue bond laws, action for vacation is desired before the the end of this year. Whether the plans of Housing Associates are approved or not, it is anticipated optimum development of the area will require vacation of the street which involves a lengthy procedure.

NEW BUSINESS (continued)

Jim Hopkins and Brenda Bracy spoke in opposition to the proposed closure of Ellis Street.

Mary Rogers inquired as to the reason for closing the street at this time and Mr. Kernan explained that the action proposed today would not close the street, but would request the Board Supervisors to initiate the process. The street has not been closed in the past, since there had not been a developer ready to go forward. The Commission would still have the option of actually proceeding with the closure upon determination of the appropriateness of the proposal by Housing Associates, Inc.

Mr. Commons inquired if the closing of this street is absolutely essential to the Tishman development and Mr. Kernan indicated affirmatively, this proposal requires that the street be closed, as it uses the land area and the unit count of the area to support the proposal.

Mr. Hamilton noted that this is because the Cooperation Agreement for the project anticipated the closing of Ellis Street and developer proceeded on the basis that the Agency would do what the Cooperation Agreement suggested. Mr. Commons inquired if the proposal the Agency put out indicated the street would be closed and Mr. Hamilton indicated that the Agency did not solicit a proposal, as staff sought the Commission's authorization for direct negotiation. However, the discussions were all based upon the assumption and expectation that whoever the developer was that Ellis Street would be closed, because that is the way the Cooperation Agreement is structured.

Mr. Kernan added that the Redevelopment Plan indicates it as closed and the Cooperation Agreement is an Agreement between the Agency and the City that says the City will cooperate to implement the Redevelopment Plan and if the Agency requests the City to proceed with the closure, they are obligated to do so. Mr. Commons inquired if the City is still bound by the agreement and Mr. Kernan indicated that he does not believe they are legally mandated to close the street, but the Plan and the Agreement permit it.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-85 BE ADOPTED.

- (d) Resolution No. 288-85 requests authorization of an Agreement of Lease with Metropolitan Parking Corporation for the month-to-month rental of the Agency owned land, Block 3707, Lots 28 and 29, located at southeast corner of Jessie and Third Streets in Yerba Buena Center for the purpose of operating a parking lot.

NEW BUSINESS (continued)

Mr. Kernan reported on item (d) as follows. This 9,400 square foot parcel described as EB-1 is to be offered for development of an office building. The proposed interim use as a parking lot will not only provide more off-street parking facilities but will also enhance the appearance of the area and provide additional revenues for the Agency. The operator of the parking lot will make all necessary site improvements and document these costs which are estimated to be \$22,500. If the tenancy is terminated by the Agency in less than one year, other than for violation of other terms and conditions of the lease, the operator will be reimbursed for the pro-rated share of the improvements. Three bids were submitted with the highest being from Metropolitan Parking for a monthly rental of \$3,456. Metropolitan is currently successful in operating other parking lots in YBC and presently operates the lot adjacent to this parcel.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-85 BE ADOPTED.

- (e) Resolution 289-85 requests authorization to accept an offer to negotiate exclusively and enter into exclusive negotiations with Alvin Dworman, dba as San Francisco Development Company, and approving his architect Whistler-Patri, for Parcel 3751-Q located at the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. In accordance with the terms of Offering No. 11, authorized in July 1985, staff made the subject parcel available for market-rate housing development under competitive bid conditions. At the bid closing on September 30, 1985, three bids were received and all were determined to be qualified developers. The highest bid was for \$4,252,000 from San Francisco Development Company. This firm has been determined to be the highest qualified bidder based upon the selection criteria established in the offering. The developer has indicated his intention to retain the firm of Whistler-Patri as the architect, which selection requires Commission approval. The principal architect for the project is Mr. Piero Patri with Mr. David Denton as Project Manager. This firm is acceptable to the Agency. Schematic plans are to be submitted by December 11, 1985, for consideration by the Commission. If approved, a request will be made to extend the exclusive negotiations period to finalize the terms of the LDA.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 289-85 BE ADOPTED.

- (f) Resolution No. 290-85 requests authorization of a Process for obtaining Design Services for the Central Block Gardens in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (f) as follows. The portion of YBC Gardens to be built by the Agency contains the Esplanade, the West Gardens and the Chinese and Starlight Gardens. The Disposition and Development Agreement (DDA) for YBG specified that the Agency negotiate with the OYM Development Team, which included the Lawrence Halprin firm as Landscape Architect, to provide the design services for the Gardens. However, if agreement had not been reached within sixty days then the Agency would be free to negotiate with other parties for these services. Although an extension of the negotiation period was granted, it became apparent in early June that an agreement on a contract could not be reached with the developer. Direct negotiations were then entered into with the Halprin firm for design of the gardens, however, these negotiations broke down and were terminated on August 9, 1985. This termination of negotiations has provided an opportunity to re-evaluate the total design services for successful execution of the Master Plan and it is believed that the options now available will result in securing the highest caliber of design services. During the interview process for architects to design the cultural buildings, it became apparent that a firm with major urban design and architectural strengths would be best suited to design the central esplanade and to provide coordination with the architects of adjacent buildings. It is therefore proposed to seek a designer with strong urban skills for the specific design of the esplanade, the grand fountain and three pedestrian bridges crossing Mission and Howard Streets. In addition to notifying the AIA and similar professional organizations of the project, invitations would be issued to a limited number of prestigious firms with strong architectural and urban design capacity. As lead designers for the project's central space and connection elements, the firm would assume a major role in establishing the overall palette and open space forms and materials and in coordinating the project's diverse architectural and open space designs. Agency approval of the selected firm's design team would be required. With regard to the other three gardens, any interested Bay Area landscape architectural firms would be invited to submit their qualifications for the work with the Agency reserving the right to have one or more firms design the gardens. The selected firms for both the Esplanade and the other gardens would be working from already approved Basic Concept Drawings.

Mr. Arnelle noted his concern that the process included an affirmative action component and requested a report on that part of the process. Mr. Kernan indicated that the selected firm would be required to structure a team to meet the Agency's affirmative action goals.

Mr. Commons indicated it was his understanding that there would be a close relationship between the architects for the gardens and the architects for the cultural buildings and suggested that instructions in the bid made this a condition of the contract to ensure close coordination between all architects involved in the project. Mr. Kernan indicated that this was a necessary element that would be reinforced through the process.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-85 BE ADOPTED.

- (g) Resolution No. 291-85 requests authorization of Fumihiko Maki and James Stewart Polshek as the Cultural Building Architects for Yerba Buena Gardens in Yerba Buena Center.

Mr. Kernan reported that it is proposed to hold action on this item until the October 15, 1985, meeting to provide additional time for consider of the matter.

Mr. Commons indicated that he would be out-of-town and not present at the October 15, meeting, however, he would appreciate and opportunity to have some input on this subject. It was agreed that Mr. Commons would hold discussions with the other Commissioners before his departure.

RULE OF THE CHAIR: Temporary President Berk indicated that, subject to the objection of any Commissioner, item (g) would be continued for one week. There being on objection it was so ordered.

- (h) Resolution NO. 292-85 requests authorization to amend Annual Salary Resolution No. 179-85 to allow Employer pick-up of the Public Employee's Retirement System (PERS) through a Salary Reduction Plan.

Mr. Kernan reported on item (h) as follows. This Plan would reduce an employees' current tax liability and produce more take-home pay by deferring tax on contributions until they are actually received, presumably at retirement when taxable income is lower. Adoption of the Plan has been recommended by a Union/Management Joint Benefits Committee which worked with the Consultant firm of William M. Mercer-Meidinger, Inc. As authorized in May 1985 a private tax ruling was sought from the IRS regarding the legality of the Agency adopting the subject plan and a favorable ruling dated September 19, 1985 has been issued. Since the plan cannot be optional and all employees must participate, an employee vote was taken resulting in 88% favoring adoption of the plan. The size of benefits will not be affected, as salary reported to PERS will not be reduced. If an employee leaves the Agency before retirement and wishes to withdraw his/her PERS contributions, the current tax liability could be reduced by utilizing an IRA or ten-year averaging could be used for those with at least five years of PERS service. The State of California, the San Francisco Housing Authority and many other public agencies have recently adopted such plans for the benefit of their employees. The plan, which would be both inexpensive to implement and administer, would be effective October 8, 1985. In order to implement the plan, language satisfying the IRS requirements regarding the non-taxability of the employee contributions needs to be added to the annual salary resolution.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-85 BE ADOPTED.

- (i) Resolution No. 293-85 requests authorization to adopt a Risk Management Policy.

Mr. Kernan reported on item (i) as follows. A Risk Management Study was recently performed by the consulting firm of Warren, McVeigh and Griffin, Inc., which has resulted in a recommendation that the Agency adopt a formal Risk Management Policy. The policy outlines general guidelines for loss prevention, control, transfer and record keeping. It also designates responsibility for the risk management function primarily to the Executive Director, Agency General Counsel and Administrative Services Officer. It is considered that the proposed Risk Management Policy provides the general guidelines needed for protecting the Agency against the financial consequences of accidental loss and the minimization of the long term cost of all activities related to the control of accidental losses.

Commissioner Commons inquired whether the Risk Retention provisions of the Risk Management Policy were in fact correct. After some discussion it was agreed that the policy would be amended to make it clear that the Agency will self assume all losses which occur with predictable frequency and which will not have a significant impact on the Agency's fiscal position; or where there was not predictable frequency, all losses will be self assumed which will not have a significant impact on the Agency's fiscal position.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-85 SUBJECT TO CLARIFICATION OF THE POINTS RAISED, BE ADOPTED.

- (j) Resolution NO. 294-85 requests authorization to reimburse travel expenses in an amount not to exceed \$400 for two out-of-area applicants for the vacant position of Senior Planner.

Mr. Kernan reported on item (j) as follows. Several months ago Senior Planner, William Haskell, resigned following seven years of service. It is necessary to fill this position at this time in order to have a person responsible for all current planning activities in Yerba Buena Center, the Western Addition A-2, Hunters Point/India Basin and Rincon Point-South Beach. In addition to assisting the Chief of Planning in identifying and programming new revitalization areas, the Senior Planner would act as primary assistant to this Division Chief. Responsibilities would include future Redevelopment Plan Amendments for the YBC project, to consider incorporating Downtown Plan elements; incorporation of tax allocation provisions within the A-1 and A-2 Plans, and conducting the necessary environmental review for all ongoing redevelopment projects. An applicant selected earlier accepted another job, resulting in the position being re-advertised. Sixty-two

NEW BUSINESS (continued)

original applicants have been narrowed down to four, two of whom live in Southern California. It is proposed to invite these two out-of-area applicants to San Francisco for personal interviews and reimburse them for travel expenses.

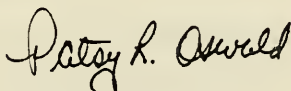
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-85 BE ADOPTED.

- (k) Mr. Kernan reported that item (k), an informational Presentation by Housing Associates, Inc. (Donald Tishman) of a proposed Master Plan and design for Fillmore Center in the Western Addition A-2 would be held over until the meeting of October 15, 1985.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned . The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 12, 1985



MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of October, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Walter S. Newman, Vice President
Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton Executive Director, and staff members were also present.

Also present were Erik Ruppe, Nona Leone, Pactel; W.J. Evertz, Pacific Bell; Gilbert Chan, Urban Designs; and Ocie Mae Rogers.

Representing the press were Gerald Adams, San Francisco Examiner; Susan Sward, San Francisco Chronicle; Jim Kelly, San Francisco Progress.

REPORT OF THE PRESIDENT

President King reported that the Commission was glad to have the Executive Director Wilbur Hamilton back at the Redevelopment Agency after his stint at the Housing Authority.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton indicated he was very pleased to be back and that he had found his experience at the Housing Authority interesting and challenging.

UNFINISHED BUSINESS

- (a) Resolution No. 291-85 requests authorization of the selection of two architects to negotiate contracts for the design of the Yerba Buena Gardens cultural buildings in Yerba Buena Center.

Mr. Hamilton Reported on item (a) as follows. A list of approximately 22 candidates was formulated by staff, consultants and an architect representing the Technical Advisory Committee (TAC). This list consisted of architects of acknowledged,

UNFINISHED BUSINESS (continued)

world-wide design excellence and experience with the design and construction of cultural facilities. Following review of material submitted and responses to questions contained in the Request for Qualifications (RFQ), five finalists were interviewed. The original panel was expanded to include Commissioners Berk, Commons, Lee and Acting Executive Director Redmond Kernan. Informal meetings were then scheduled for each candidate with the TAC. The selection criteria included the degree to which the particular design approach would be compatible with the San Francisco context as defined by the YBC Master Plan and the area surrounding the project. Also taken into consideration was the ability to adapt to new cultural, social and physical settings without undue compromise of design philosophy, as well as the ability to communicate and accept constructive criticism and respond to suggestions. The candidates were carefully questioned with regard to the adequacy of the proposed budget and their ability to meet a given budget. Based upon these factors, staff recommends dividing the work for the cultural facilities between Fumihiko Maki and James Polshek, both of whom have impressive backgrounds and personal qualities that would produce a good working relationship. It is proposed to assign Mr. Maki to the northerly portion of the project including the Art Gallery, the Video Theater and Forum Space. In addition to a distinguished professional career which has brought him international recognition, he now heads the Architecture Department at the University of Tokyo. It is proposed to select Mr. Polshek for design of the Theater. It was generally agreed he made the clearest and most articulate presentation and that he would achieve an effective collaboration with Mr. Maki. In each case the principals would be committed to be personally and substantially involved in the project, which is of great importance. It is proposed to negotiate with these two firms while the team for the project is assembled and the fee established, following which contracts will be brought before the Commission for consideration.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 295-85 requests authorizations of Exclusive Negotiations, until January 15, 1986, with Janet Roche, Daniel Solomon, Allan Cadgene and Urban Designs for Parcel 1100-D (1) located on the east side of Beideman Place between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In March 1984 exclusive negotiations were authorized to construct seventeen rental units. This proposal was based on a financing program through the Mayor's Office of Housing and Economic Development (MOHED). MOHED was unable to find a lender for the development.

NEW BUSINESS (continued)

In November 1984 the development was revised to twelve market-rate condominiums. The developers then made efforts to secure a joint venture partner to provide the pre-development funds as well as construction financing. However, exclusive negotiations expired without those arrangements being made. The developers now propose to form a limited partnership, which will include Urban Designs as the general partner and general contractor. They are now performing these functions in Alamo Terrace Associates, a fifteen unit condominium development in the Western Addition. The new partnership will provide up-front development money with conventional construction and permanent financing through MOHED's single family bond program. If bond financing is not available, then the developers intend to proceed with conventional take-out financing.

Mr. Lee inquired as to the land sales price and Gene Suttle, Project Director, Western Addition A-2 indicated it was \$162,000.

President King noted that though he had no monetary interest and will not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-85 BE ADOPTED.

- (b) Resolution NO. 296-85 requests Conditional Approval of the Schematic Architectural Design to Pacific Bell in connection with the Parcel 3735, Lots 15 and 16 located at the northeast corner of Third and Folsom Streets, in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. This 19,200 square foot parcel is bounded by Clementina Street to the north, Third Street to the west, Folsom Street to the south, and the existing Pacific Bell building, 666 Folsom Street, to the east. The parcel includes a transfer of a portion of the property from 666 Folsom Street. The proposed 12 story office building totals approximately 164,390 square feet with arcaded retail space on the ground floor and a loading and parking entrance on Clementina Street. Parking for 31 cars will also be provided.

Mr. Glen Bauer, Robinson, Mills & Williams the developers architect made a presentation of the proposed Schematic Architectural Design.

Mr. Walter Yanagita, Senior Staff Architect outlined staff concerns which it is anticipated can be successfully addressed during the preliminary design phase. Mr. Yanagita further indicated that the Department of City Planning has reviewed this design and their comments have been incorporated in the list of design concerns.

NEW BUSINESS (continued)

In reply to an inquiry by Mr. Lee, Mike Mann, Development Specialist, indicated that the preliminary drawings are scheduled to be submitted in February 1986.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 296-85 BE ADOPTED.

- (c) Resolution No. 297-85 requests authorization of YBG Associates' Design Architect, Cesar Pelli and Associates, for the retail and residential portions of Central Block 1 (CB-1) in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. Agency approval of the CB-1 Design Architect is in accordance with the Disposition and Development Agreement (DDA). Cesar Pelli and Associates were selected in June 1985 as the Design Architect for the CB-1 office building and their approval for the design of the retail and residential portions will complete the design team for CB-1. YBG Associates has indicated that the Pelli firm will be responsible for providing full design services including: preparation of schematic drawings; the preliminary construction documents; and preparation of all presentation material for public meetings. The developer intends to select an architecture firm from San Francisco to prepare the final construction documents, which will be monitored by the Design Architect to ensure that the design concepts and the intent are maintained. YBG Associates has requested the Cesar Pelli also be approved as the design architect for the retail and amusement recreation and entertainment portions of CB-2 and 3.

Mr. Arnelle indicated that emphasis should be placed upon the affirmative action component of all publicly let projects. Mr. Earl Mills, Deputy Executive Director, Community Services, indicated that this would be part of the negotiations and that all Architecture firms that submitted proposals, have been advised of the Agency's Affirmative Action Program which would be set forth as part of the contract.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 297-85 BE ADOPTED.

President King announced that the meeting would be recessed to a closed session on litigation after which the meeting would be reconvened in the fourth floor conference room for items (d) and (e). The meeting recessed to a closed session at 4:40 p.m. The regular meeting reconvened at 4:50 p.m. in the fourth floor conference room with the same roll call.

NEW BUSINESS (continued)

- (d) Workshop to review the proposal from General Atlantic/Forest City Dillon who plan to construct 850 dwelling units on Development Site E, located on the block bounded by First, Brannan and Bryant, Beale Streets in Rincon Point-South Beach.

Frank Cannizzaro, Project Director, Rincon-South Beach, presented the development proposal; Rodney Friedman, Fisher-Friedman, architect for the development, gave the design concept and Edmund Ong, Chief of Architecture, noted staff's design concerns.

After a discussion between Commissioners, staff and the developer, the President announced that the meeting would be recessed before taking up item (e). The meeting recessed at 5:20 p.m. and reconvened at 5:30 p.m. with the same roll call.

- (e) An informational presentation by Housing Associates, Inc. (Donald Tishman) of a proposed Master Plan and design for Fillmore Center in the Western Addition.

Mr. Hamilton gave an update on the Housing Associates, Inc. proposal.

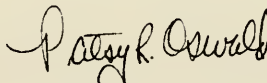
Tony Lumsden, DMJM, architect for the development, gave a design review of the development.

After Commission, staff and developer discussion and questions from the public, the meeting was adjourned.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

October 29, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of October, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Walter S. Newman, Vice President
Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton Executive Director, and staff members were also present.

Also present were Erik Ruppe, Nona Leone, Pactel; W.J. Evertz, Pacific Bell; Gilbert Chan, Urban Designs; and Ocie Mae Rogers.

Representing the press were Gerald Adams, San Francisco Examiner; Susan Sward, San Francisco Chronicle; Jim Kelly, San Francisco Progress.

REPORT OF THE PRESIDENT

President King reported that the Commission was glad to have the Executive Director Wilbur Hamilton back at the Redevelopment Agency after his stint at the Housing Authority.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton indicated he was very pleased to be back and that he had found his experience at the Housing Authority interesting and challenging.

UNFINISHED BUSINESS

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Mr. Hamilton Reported on item (a) as follows. A list of approximately 22 candidates was formulated by staff, consultants and an architect representing the Technical Advisory Committee (TAC). This list consisted of architects of acknowledged,

UNFINISHED BUSINESS (continued)

world-wide design excellence and experience with the design and construction of cultural facilities. Following review of material submitted and responses to questions contained in the Request for Qualifications (RFQ), five finalists were interviewed. The original panel was expanded to include Commissioners Berk, Commons, Lee and Acting Executive Director Redmond Kernan. Informal meetings were then scheduled for each candidate with the TAC. The selection criteria included the degree to which the particular design approach would be compatible with the San Francisco context as defined by the YBC Master Plan and the area surrounding the project. Also taken into consideration was the ability to adapt to new cultural, social and physical settings without undue compromise of design philosophy, as well as the ability to communicate and accept constructive criticism and respond to suggestions. The candidates were carefully questioned with regard to the adequacy of the proposed budget and their ability to meet a given budget. Based upon these factors, staff recommends dividing the work for the cultural facilities between Fumihiko Maki and James Polshek, both of whom have impressive backgrounds and personal qualities that would produce a good working relationship. It is proposed to assign Mr. Maki to the northerly portion of the project including the Art Gallery, the Video Theater and Forum Space. In addition to a distinguished professional career which has brought him international recognition, he now heads the Architecture Department at the University of Tokyo. It is proposed to select Mr. Polshek for design of the Theater. It was generally agreed he made the clearest and most articulate presentation and that he would achieve an effective collaboration with Mr. Maki. In each case the principals would be committed to be personally and substantially involved in the project, which is of great importance. It is proposed to negotiate with these two firms while the team for the project is assembled and the fee established, following which contracts will be brought before the Commission for consideration.

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Mr. Lee inquired as to the land sales price and Gene Suttle, Project Director, Western Addition A-2 indicated it was \$162,000.

President King noted that though he had no monetary interest and will not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-85 BE ADOPTED.

- (b) Resolution NO. 296-85 requests Conditional Approval of the Schematic Architectural Design to Pacific Bell in connection with the Parcel 3735, Lots 15 and 16 located at the northeast corner of Third and Folsom Streets, in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. This 19,200 square foot parcel is bounded by Clementina Street to the north, Third Street to the west, Folsom Street to the south, and the existing Pacific Bell building, 666 Folsom Street, to the east. The parcel includes a transfer of a portion of the property from 666 Folsom Street. The proposed 12 story office building totals approximately 164,390 square feet with arcaded retail space on the ground floor and a loading and parking entrance on Clementina Street. Parking for 31 cars will also be provided.

Mr. Glen Bauer, Robinson, Mills & Williams the developers architect made a presentation of the proposed Schematic Architectural Design.

Mr. Walter Yanagita, Senior Staff Architect outlined staff concerns which it is anticipated can be successfully addressed during the preliminary design phase. Mr. Yanagita further indicated that the Department of City Planning has reviewed this design and their comments have been incorporated in the list of design concerns.

NEW BUSINESS (continued)

In reply to an inquiry by Mr. Lee, Mike Mann, Development Specialist, indicated that the preliminary drawings are scheduled to be submitted in February 1986.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 296-85 BE ADOPTED.

- (c) Resolution No. 297-85 requests authorization of YBG Associates' Design Architect, Cesar Pelli and Associates, for the retail and residential portions of Central Block 1 (CB-1) in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. Agency approval of the CB-1 Design Architect is in accordance with the Disposition and Development Agreement (DDA). Cesar Pelli and Associates were selected in June 1985 as the Design Architect for the CB-1 office building and their approval for the design of the retail and residential portions will complete the design team for CB-1. YBG Associates has indicated that the Pelli firm will be responsible for providing full design services including: preparation of schematic drawings; the preliminary construction documents; and preparation of all presentation material for public meetings. The developer intends to select an architecture firm from San Francisco to prepare the final construction documents, which will be monitored by the Design Architect to ensure that the design concepts and the intent are maintained. YBG Associates has requested the Cesar Pelli also be approved as the design architect for the retail and amusement recreation and entertainment portions of CB-2 and 3.

Mr. Arnelle indicated that emphasis should be placed upon the affirmative action component of all publicly let projects. Mr. Earl Mills, Deputy Executive Director, Community Services, indicated that this would be part of the negotiations and that all Architecture firms that submitted proposals, have been advised of the Agency's Affirmative Action Program which would be set forth as part of the contract.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 297-85 BE ADOPTED.

President King announced that the meeting would be recessed to a closed session on litigation after which the meeting would be reconvened in the fourth floor conference room for items (d) and (e). The meeting recessed to a closed session at 4:40 p.m. The regular meeting reconvened at 4:50 p.m. in the fourth floor conference room with the same roll call.

NEW BUSINESS (continued)

- (d) Workshop to review the proposal from General Atlantic/Forest City Dillon who plan to construct 850 dwelling units on Development Site E, located on the block bounded by First, Brannan and Bryant, Beale Streets in Rincon Point-South Beach.

Frank Cannizzaro, Project Director, Rincon-South Beach, presented the development proposal; Rodney Friedman, Fisher-Friedman, architect for the development, gave the design concept and Edmund Ong, Chief of Architecture, noted staff's design concerns.

After a discussion between Commissioners, staff and the developer, the President announced that the meeting would be recessed before taking up item (e). The meeting recessed at 5:20 p.m. and reconvened at 5:30 p.m. with the same roll call.

- (e) An informational presentation by Housing Associates, Inc. (Donald Tishman) of a proposed Master Plan and design for Fillmore Center in the Western Addition.

Mr. Hamilton gave an update on the Housing Associates, Inc. proposal.

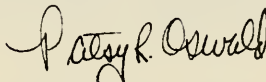
Tony Lumsden, DMJM, architect for the development, gave a design review of the development.

After Commission, staff and developer discussion and questions from the public, the meeting was adjourned.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

October 29, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of October, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting Vice President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

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Leroy King, President

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Clinton Johnson, Charles Ryan interested citizens.

APPROVAL OF MINUTES

RULE OF THE CHAIR: Acting President Newman indicated that subject to the objection of any Commissioner the Minutes of July 16, 1985 would be held over pending clarification of item (g), Expandable Homes on Innes Avenue in Hunters Point.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 3, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The National Association of Housing and Redevelopment Officials has named Neal R. Peirce as the recipient of the M. Justin Herman award for 1985. Mr. Peirce is a nationally syndicated columnist, who was selected on the basis of his demonstrated commitment to furthering public understanding of housing and urban problems.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Today, the Board of Supervisors' Rules Committee passed on Commissioner Berk's reappointment. The full Board will be considering this on November 4, with a swearing in ceremony expected soon.
- (c) Today, there is a Special Meeting of the Board of Supervisors' Planning, Housing and Development Committee. The Agency has a number of items on the agenda. Mr. Kernan is covering those items and will report on the outcome at a later date.
- (d) On October 23, there will be a Special Joint Meeting of the Board of Supervisors' Finance and Planning, Housing and Development Committees to consider the 1986 Community Development Block Grant with a scheduling of the full Board on November 4.
- (e) Former staff member, Lloyd Sinclair passed away on Sunday October 20, in Tucson, Arizona. Mr. Sinclair was a former Commission Secretary and aide to Justin Herman. It is suggested this meeting be adjourned in his memory.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Assignment and Transfer of all Right, Title, and Interest in the LDA for Parcel 3751-P; Yerba Buena Center.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution no. 298-85 requests authorization to Assign and Transfer all Right, Title and Interest in the LDA with Brighton Associates to Harrison Plaza Associates for the parcel located at the northeast corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. An LDA was authorized in April 1985 with Brighton Associates for the development of approximately 85,000 square feet of office space with ground floor retail and approximately 155 subsurface parking spaces. In September of this year the developer requested an assignment and transfer of the LDA in order to add economic strength to the development team. The new development entity, Harrison Plaza Associates, will consist of Schneider Pacific, Inc. with 80% interest and Verriere & Wooster with 20% interest, each as general partners. The principals of Verriere & Wooster are the same as the principals of Brighton Associates and will continue to act as the managing partners. The addition of Schneider Pacific, a firm that has a strong financial background and is very active in real estate development, will provide the economic strength to enable the financing and construction of this project to go forward. The November 1, 1985 date for submission of Preliminary Plans is expected to be met.

NEW BUSINESS (continued)

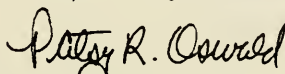
There being no persons wishing to appear in connection with the matter, Acting President Newman declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-85 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned in memory of Lloyd Sinclair. The meeting adjourned at 4:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Patsy R. Oswald
Secretary

APPROVED

November 12, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF OCTOBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of October, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Charlotte Berk
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle
Dorman L. Commons
Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton Executive Director, and staff members were also present.

Also present were Alvin P. Norman, Price Plumbing; James F. Fields, J. Fields & Associates; Albert Otis, Otis Painting Co.; John Harris, Cephas Construction Co.; Betty Brooks, ULB; Ocie Mae Rogers and Charles Ryan, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of July 16, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of September 10, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of October 15, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On October 30 at 8 p.m. KP00-FM will be conducting a panel discussion on the future of the Fillmore district and Housing Associates proposed development. Wilbur Hamilton will be a panelist, along with Mary Rogers and Arnold Townsend.

- (b) Commissioner Berk will be before the Board of Supervisors on November 4, regarding her reappointment to the Redevelopment Agency Commission with swearing in ceremonies in the near future.
- (c) On the Board of Supervisors' agenda for November 4, will be the 1986 Community Development Block Grant Program.

NEW BUSINESS

- (a) Resolution No. 299-85 requests authorization of a First Amendment to the Joint Exercise of Powers Agreement, which extends the time for filing the Annual Audit form three to six months, for the San Francisco State Building in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. On December 23, 1982 the Agency entered into a Joint Exercise of Powers Agreement with the State of California, acting through its Director of the Department of General Services, in order to create an entity known as the San Francisco State Building Authority. The purpose of the Authority is to finance and construct a State Office Building and parking facilities on a portion of the block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets in the Western Addition A-2. It is now estimated that the building will be ready for occupancy in early 1986. The Agreement requires that the State Controller make an annual audit of the accounts and records of the Authority and file that audit within three months of the end of the fiscal year under examination. After the experience of completing two audits, the Controller's Office advises that the three month period is too short and recommends extending the time to six months. The proposed amendment, which has been agreed to by the State Department of General Services, will not have any effect upon the payment of any of the Authority's obligations or delay completion of construction.

Mr. Lee arrived at this time, 4:10 p.m.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-85 BE ADOPTED.

- (b) Resolution No. 300-85 requests authorization to expend funds in an amount not to exceed \$3,333.67 for repairs and replacement of windows at the Agency-owned building located at 1899 Bush Street in the Western Addition A-2.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that item (b) would be continued for one week at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 301-85 requests authorization of a Third Amendatory Agreement to the LDA with Rose Mary Rodriguez Najar for Parcel K-5 located on the southeast corner of Galvez Avenue and Newhall Street in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. Ms. Najar, the owner of Mexican Food Products Corporation, proposes to construct a 14,000 square foot building with parking, loading and landscaped areas. A First Amendatory Agreement was authorized in February 1985 to allow time for revision of the building design plans to accommodate machinery the company had ordered, however, these revisions took longer than anticipated and, since financing had only recently been arranged and plans had yet to be submitted for a building permit, a Second Amendatory Agreement was approved in June 1985 extending the conveyance date to October 16, 1985. Since this extension was granted Ms. Najar has obtained a loan commitment from Fremont Bank for \$494,000; a 503 loan from the SBA for \$415,000; a loan from the Mayor's Office of Housing and Economic Development through the San Francisco Industrial Development Fund for \$75,000; and the developer has agreed to provide the \$23,800 balance of the \$1,007,800 project cost. The developer opted to proceed with her architectural plans only after financing was assured and has therefore not yet provided Preliminary Construction Documents. Consequently, it will be at least a month or more before a building permit will be applied for which past experience indicates will take at least two to four months to obtain from the date of application. Although, based upon past performance, there is concern whether the new schedule can be met, it is believed that the developer should be given the opportunity to proceed in view of the time and money that has already been invested. In this regard the need for more effective project management has been emphasized and it is proposed to establish a monitoring schedule to ensure that all necessary actions are initiated in a timely manner. The revised performance schedule calls for submission of evidence of financing by April 16 and conveyance of the site by May 14, 1986. Since February 7, 1986 is the land price expiration date under the terms of the LDA, the developer has been advised that the land will be reappraised if conveyance has not occurred on or before that date. Language to this effect has been included in the Third Amendatory Agreement.

Mr. Lee asked why the developer needs ninety days for financing commitment if everything is in place. Mr. Wilson indicated that although the financing is in place at the present time they may not be able to keep the loan in place for the period of time needed to submit preliminary construction documents and secure a building permit. Mr. Lee further inquired if the amount of \$1,007,800 included the land price to which Mr. Wilson replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-85 BE ADOPTED.

- (d) Resolution No. 302-85 requests authorization of Exclusive Negotiations, until January 29, 1986, with ATAP International,

NEW BUSINESS (continued)

Inc. for Parcel DD-2 located on the southerly side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Mr. Hamilton reported on item (d) as follows. The developer proposes to construct thirty-three single family homes, each with a two car garage. Sales prices would range from \$116,000 to \$125,000, a level affordable to moderate income households and consistent with the Agency's marketing policy. ATAP, a minority-owned development company based in Richmond, California, has provided satisfactory evidence of financial capacity as well as the feasibility and design quality of its proposed development. In addition, this firm has demonstrated an ability to work well with the Agency and the community during construction of a nine unit development in Hunters Point which is now successfully nearing completion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-85 BE ADOPTED.

- (e) Resolution No. 303-85 requests authorization to extend Exclusive Negotiations, until December 11, 1985, with O'Donoghue Industries, Inc. for the parcel located on the northerly side of Keith Street between Hudson and Fairfax Avenues in Hunters Point.

Mr. Hamilton reported on item (e) as follows. Exclusive Negotiations were authorized in September 1985 for the construction of 28 three-bedroom townhouses and 20 two-bedroom flats with parking facilities. Although all the necessary documents are expected to be provided before exclusive negotiations expire on November 13, additional time is required for publication of the notice of Public Hearing, plus staff is drafting new labor standards language, which will be recommended for insertion in all LDA's for the Hunters Point area.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-85 BE ADOPTED.

- (f) Resolution Nos. 304-85 through and including 308-85 request authorization of Exclusive Negotiations with five prospective developers of various lots in Site-4 located on Carpenter Court and Lindsay Circle on Hunter Point Hill in Hunters Point.

Mr. Hamilton reported on item (f) as follows. The refund of performance deposits to thirteen prospective developers was authorized at the August 20, 1985 Commission meeting, however, six developers present at the meeting requested, and were granted, exclusive negotiations until December 31, 1985. Upon inquiry by staff of the other seven S-4 developers regarding whether they desired return of their deposits or further negotiations rights, two requested return of their deposits and it is now proposed to enter into exclusive negotiations with

NEW BUSINESS (continued)

the remaining five, namely: Gene Mabrey, et. al., Lot 2; Robert J. Primus, Lot 3; SOCA Development Corp., Lot 5; Simon Brown, Lot 7; and Oscar and Patricia James, Lot 13. A proposed compromise development program to assist the individual developers to construct new homes met with an extremely supportive response. Upon determination that the developers are in a position to proceed expeditiously, LDA's will be brought before the Commission for consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 304-85 THROUGH AND INCLUDING RESOLUTION NO. 308-85 BE ADOPTED.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (g). The meeting recessed at 4:25 p.m. The meeting reconvened at 4:35 p.m. with the same roll call.

- (g) Workshop on Development Site I, a portion of the block bounded by Townsend, Colin P. Kelly, Brannan and First Streets; Rincon Point-South Beach.

Mr. Hamilton reported on item (g) as follows. The purpose of this Workshop is to present a proposal submitted by R.J. Nathan, Inc. for the construction of approximately 414 dwelling units on Development Site I located on a portion of the block bounded by Townsend, Colin P. Kelly, Brannan & First Streets in Rincon Point-South Beach. R.J. Nathan, Inc. has a contract to purchase the site which is designated for housing and owned by Campeau South Beach Properties. In June 1984 an Owner Participation Agreement (OPA) was entered into with Campeau for the development of 402 dwelling units, rehabilitation of the Oriental Warehouse and the construction of a 91,000 square foot office building. In October 1985 assignment of the commercial portion of the OPA to Joseph Weiner was authorized and a request will be forthcoming in the near future to assign the residential portion to R.J. Nathan. It is proposed to construct two midrise buildings containing units that would be for rent rather than sale, as proposed by Campeau. 22% would be studios, 34% one-bedroom and 44% two-bedroom with one parking space for each unit. In addition, 8,000 square feet of ground floor commercial, plus recreational facilities, would be provided. The total project cost is estimated at \$45 million and it is intended to seek a tax exempt mortgage revenue bond and utilize the FHA insurance. The developer is requesting the use of tax-exempt financing and a height and density bonus. Under Federal rules, the tax exempt financing will require the developer to provide 20% low-income housing for the life of the bonds, and in return for a 54 dwelling unit bonus, the Agency will require that 22 low-and-moderate income units be provided. In return for tax exempt financing and density and height bonus, the developer proposes that 83 of the units be rented to low income households for at least 15 years.

NEW BUSINESS (continued)

When the tax exempt bonds are defeased, 22 units would be rented or sold at prices affordable to low-and-moderate income households, and approximately 61 units would be sold to the Agency or its designees for 10% below market price. In order to secure tax exempt bond financing, the developer requires Agency approval of design and business terms by mid-November, Board of Supervisor approval by early to mid-December and the Agency bond sale before the end of December 1985. Upon concurrence between the Agency and the developer on the schematic design and on proposed business terms, a substitute for the Campeau OPA will be prepared and submitted to the Commission for action by mid-November.

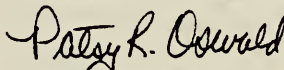
Rodney Friedman, Fisher-Friedman, architect for the development, presented the design concept for this development and Frank Cannizzaro, Project Director, Rincon Point-South Beach, noted the business terms.

After a discussion between Commissioners, staff and the developer, the meeting was adjourned.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 5, 1985

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF NOVEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of November, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnette
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Peter Wilhelm, Kimball Park Homeowners; Mary Lou Terrell, Larry Haynes, Mary Helen Rogers, Western Addition; Francis H. Barnes, Job Customer Control Systems; James Hopkins, Lee A. Reddices, W.A.C.A.; Jay Kilbourn, San Francisco League of Urban Gardeners; Debra Edgerly, Genevieve Bayan, Brenda Barcy, Sharon Davis, Katherine Nash.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 29, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On November 4, the Board of Supervisors, after approximately 4 hours of public testimony, passed the I-280 Concept program to demolish the Embarcadero Freeway. Because of the length of this item the remainder of the agenda was continued until November 5.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Items on the Agenda regarding the Agency are Community Development Block Grant Funds; the Urban Development Action Grant in the amount of \$600,000 for Bayview Square Commercial Center, and the Mayor's appointment of Charlotte Berk to this Commission.

- (b) Mr. Hamilton will be on vacation beginning November 6 through November 13. Redmond F. Kernan will be the Acting Executive Director in his absence.
- (c) The Agency's offices will be closed on Monday, November 11 in observance of Veterans Day.

UNFINISHED BUSINESS

- (a) Resolution No. 300-85 requests authorization to expend funds in an amount not to exceed \$3,333.67 for repairs and replacement of windows at the Agency-owned building located at 1899 Bush Street in the Western Addition A-2.

Mr. Hamilton reported that this item had been continued for one week from the October 29th meeting and staff is now requesting that this item be tabled.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, that Item (a) would be tabled at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 309-85 requests authorization of a Financing Agreement with Rincon Center Associates in connection with the issuance of Variable Rate Multi-Family Housing Revenue Bonds for their proposed development in Rincon Point-South Beach.

Mr. Hamilton reported that staff was requesting this item be continued for one week, until November 12th because the Financing Agreement is not yet completed.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, that item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 310-85 requests authorization of a Financing Agreement with Western Commercial Partnership I in connection with the issuance of Variable Rate Multi-Family Housing Revenue Option Bonds for their proposed development in the Western Addition A-2.

NEW BUSINESS (continued)

- (c) Resolution No. 311-85 requests authorization of a Financing Agreement with Fillmore Center Developers in connection with the issuance of Variable Rate Multi-Family Revenue Option Bonds for their proposed development in the Western Addition A-2.

Mr. Hamilton reported on items (b) and (c) as follows. The Agency had previously adopted inducement resolutions indicating its intent to issue bonds for these developments and is now actively working with respective developers and consultants to do so. In accordance with Agency practice, the agreements require the developers to reimburse the Agency for all expenses incurred in using its best efforts to issue bonds, regardless of whether the bonds are issued or not. Western Commercial Partnership proposes to construct approximately 160 units of rental housing in the Fillmore Center area, which is expected to require bonds in an amount not to exceed \$25 million. The Fillmore Center developers propose to construct 1100 units of rental housing in the Fillmore Center area which is expected to require bonds in an amount not to exceed \$120 million. Each developer also agrees to provide security for its reimbursement obligation to the Agency in an amount of \$50,000 each in the form of cash, bond or letter of credit. The agreements are otherwise in the usual form adopted in connection with previous developments.

Mary Rogers noted her concerns regarding the bond issue for the Fillmore Center Developers. She also requested to see the Financing Agreement which Mr. Gene Suttle, Project Director for the Western Addition A-2, indicated he would provide. Brenda Bracy, Sharon Davis and Katherine Nash noted their concerns regarding the Fillmore Center proposal.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-85 BE ADOPTED.

- (d) Resolution No. 312-85 requests authorization of a Rental Agreement with U.C. Construction Company for temporary use to provide off-street parking for construction personnel on a portion of Parcel 683-D (1) located in the area fronting on Steiner and Sutter Streets in the Block bounded by Fillmore, Steiner, Sutter and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In July 1984 a similar rental agreement was authorized with U.C. Construction, who was the general contractor for the 68 residential condominiums at Sutter Park West and the 20 condominiums at Kimball Park. They are currently constructing the second phase of Sutter Park West, which consists of an additional 12

NEW BUSINESS (continued)

condominiums with approximately 4,000 square feet of commercial space at the northeast corner of Fillmore and Sutter Streets. The subject parcel contains approximately 29,498 square feet of land area and the use of 5,000 square feet of the Sutter Street frontage is being requested with U.C. Construction to provide on-site maintenance and dust abatement as required. Since the streets in this area are already congested with on-street parking for the medical community near Mount Zion Hospital, for residents of the area and for other construction activities, this proposed use would relieve some of the parking problems in the neighborhood. The monthly rental of \$300 is comparable to the rates that were charged previously to U.C. Construction for use of this parcel. The proposed temporary use of the parcel is consistent with adopted Agency policy.

ADOPTION: IT WAS MOVED BY MR LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 312-85 BE ADOPTED.

- (e) Resolution No. 313-85 requests authorization to extend Exclusive Negotiations from November 6, 1985 to December 18, 1985, with Western Commercial Partnership I (WCP) for ECR Parcel 3A located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Hamilton reported on item (e) as follows. It is anticipated that the continuing negotiations with WCP regarding the final drafting of an LDA can be completed within the time of the requested extension period.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-85 BE ADOPTED.

- (f) Resolution No. 314-85 requests authorization to extend Exclusive Negotiations from November 6, 1985 to December 18, 1985, with Western Commercial Partnership II (WCP) for Designation as Purchaser of Parcel 725-D located on the east side of Fillmore Street between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. WCP proposes to replace the current \$1.2 million Agency deposit with Safeway, assume the Agency's obligation to Safeway to pay the remainder of the purchase price and accept title upon completion of the building and provide for 80 off-site parking spaces for office tenants, all as required by Safeway. An Agreement is proposed whereby collateral obligations to the Agency are to be undertaken by WCP to provide preferential investment and leasing opportunities to local residents. It is anticipated that during the requested extension period this Agreement can be finalized and brought before the Commission for consideration in November 1985.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-85 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 315-85 requests authorization to purchase two IBM Display Terminals in an amount of \$2,885.21.

Mr. Hamilton reported on item (a) as follows. In April 1984 the data processing equipment was upgraded, basically to provide increased storage capacity to accommodate the Agency's demand on its Data Processing Department. In light of increased demand, both actual and projected, the data processing capacity is being reevaluated and a recommendation for consideration by the Commission will be forthcoming prior to December 31, 1985. In order to adequately evaluate new software, additional terminals are required immediately.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-85 BE ADOPTED.

President King announced that he would like the meeting adjourned in honor of a good friend of the Agency, William H. Chester, who passed away Sunday night. Mr. Chester was a representative of the International Longshoreman and worked for this City for many years on many community projects, plus the Airport Commission, BART Commission, Human Rights Commission and more.

President King indicated that the meeting would be recessed to the fourth floor conference room for item (g). The meeting recessed at 4:40 p.m. The meeting reconvened at 4:50 p.m. with the same roll call.

- (g) Workshop on proposed design by Housing Associates, Inc., (Donald Tishman) for housing development in the Fillmore Center, Western Addition A-2.

Mr. Hamilton reported that the purpose of this workshop was for the developers' architect to present Housing Associates, Inc.'s proposed design for the Fillmore Center.

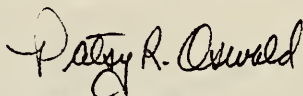
Mr. Newman left the meeting at this time, 5:15 p.m.

Tony Lumdsen presented the design proposal, after which a discussion took place between the Commission, staff and the public.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, reading "Patsy R. Oswald". The signature is written in a cursive, flowing style.

Patsy R. Oswald
Agency Secretary

APPROVED

January 7, 1986

85

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF NOVEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of November, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

Walter Newman, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Dr. Rhody A. McCoy, Future Perfect Inc.; Ocie Rogers, Hunters Point; Tommy Kwan, Munsel/Brown; Michael Hatfield, Emby Foods; Gordon Jackson, Bayview Plaza.

Representing the press were: Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of October 8, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 22, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Wilbur Hamilton is on vacation and will return to the office on Thursday, November 14, 1985.

UNFINISHED BUSINESS

- (a) Resolution No. 308-85 requests authorization of a Financing Agreement with Rincon Center Associates in connection with the issuance of Variable Multi-Family Housing Revenue Bonds for their proposed development in Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. This item was continued from last week's meeting because the Financing Agreement was not completed at that time. The Agency had previously adopted an inducement resolution indicating its intent to issue bonds for this development and is now actively working with the developer and consultants to do so. In accordance with Agency practice, the agreement requires the developer to reimburse the Agency for all expenses incurred in using its best efforts to issue bonds, regardless of whether the bonds are issued or not. Rincon Center Associates propose to rehabilitate the former Rincon Annex Postal Facility with approximately 316 units of rental housing with 240,000 gross square feet of office space, which is expected to require bonds in an amount not to exceed \$45 million. The developer has agreed to provide security for its reimbursement obligation to the Agency in an amount of \$50,000 of cash, bond or letter of credit. The agreement is otherwise in the usual form adopted in connection with previous developments.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 316-85 requests authorization of Exclusive Negotiations, until March 12, 1986, with Bayview Plaza Development Corporation for the Hunters Point II School Site located on the southeasterly corner of Ingalls Street and Kiska road, adjacent to Hunters Point.

Mr. Kernan reported on item (a) as follows. In November 1984 a deposit of \$30,000 was authorized to purchase this property from the San Francisco Unified School District and a three year option contract was entered into in December 1984. Exclusive negotiations, authorized in January 1985 with Hunters Point Plaza Associates for construction of a 38,000 gross square foot shopping complex with 16,000 square feet designated for a supermarket lapsed when it was determined that the co-venturing companies for that proposal were unable to proceed. However, one of the principals, Gordon Jackson AIA, doing business as On-Call, Inc. subsequently formed a joint venture with EMBY Foods from whom a request for exclusive negotiations has been received on

NEW BUSINESS (continued)

behalf of Bayview Plaza Development Corporation to go forward with the proposal previously submitted by Hunters Point Plaza Associates. EMBY Foods has six supermarkets in the East Bay in communities similar to Hunters Point. The Agency has created a solid residential neighborhood, however the Hunters Point residents have to travel extensive distances for commercial services of any kind and it is therefore considered that the proposal calls for a highly desirable use. The developer is willing to accept the terms of the Agency's Purchase Option Contract with the San Francisco Unified School District, as well as reimburse the Agency for its direct expenditures for site analysis and down-payment.

James Wilson, Project Director for Hunters Point, introduced Michael Hatfield, President of Emby Foods and Gordon Jackson.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-85 BE ADOPTED.

- (b) Resolution No. 317-85 requests authorization of a Fifth Amendatory Agreement to the LDA with Future Perfect, Inc. for the parcel located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.

Mr. Kernan reported on item (b) as follows. In June 1984 an LDA, with a conveyance date of February 13, 1985, was authorized for the construction of a two-story building for commercial use plus structured parking. Subsequently, three Amendatory Agreements were approved extending the performance schedule because of a major revision in plans and changes in architects. The developer opted for the "fast-track" method of initiating commencement of construction, which permits conveyance with a site permit with foundation and excavation addenda, whereby construction can commence during the finalization of construction documents. This resulted in a Fourth Amendatory Agreement being approved extending the conveyance date to December 4, 1985. However, a UDAG was not obtained and that date cannot be met, but the developer is confident of being selected in the next round of UDAG applications which is expected to be processed in January 1986. The revised Performance Schedule calls for evidence of financing by March 26, 1986, conveyance of the site by April 24, 1986 and submission of final construction documents by May 22, 1986. Since approval in October 1985 of the revised schematic design, staff considers that the developer's architect has shown good progress in addressing architectural concerns identified at that time and still anticipates that these issues can be resolved during the remainder of the preliminary design phase. Since December 5, 1985 is the land price expiration date, staff

NEW BUSINESS (continued)

reviewed the market data for property in the Bayview-Hunters Point area and, although the value of industrial land has risen, the value of residential and commercial land has not changed. The price therefore remains at \$840,000 and the absolute conveyance date shall be extended to eighteen months from the date of approval of the Fifth Amendatory Agreement now being requested. It is believed that the Agency should continue to support this pioneering effort to develop a new commercial center in the Third Street corridor.

Mr. Commons inquired as to the amount of the UDAG and James Wilson, Project Director, Hunters Point, replied \$600,000. Mr. Commons further inquired why a UDAG was being applied for and Tom Conrad, Chief, Planning and Programming, indicated that the Industrial Development Bonds are limited to \$10 million and to allow for the contingency to go from \$10 million to \$20 million a UDAG must be in place. Mr. Commons inquired as to the development cost and Mr. Wilson replied, \$11 to \$12 million.

Mr. Commons questioned the procedure of appraising the property, as it was his understanding that outside appraisers were used, not staff. Richard Kono, Chief, Development and Real Estate, indicated that in this instance an outside expert opinion had been obtained, which had been analyzed by staff.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-85 BE ADOPTED.

- (c) Resolution No. 318-85 requests authorization of a Third Amendatory Agreement, which extends the Conveyance Date to December 11, 1985, to the LDA with O'Brien Mechanical, Inc. for the parcel located on the southwest corner of Galvez and Mendell Street in the India Basin Industrial Park.

Mr. Kernan reported on item (c) as follows. In October 1984 an LDA was authorized for the construction of a building containing office, shipping, loading and unloading facilities and landscaped areas. Subsequently, two additional extensions were granted to allow time to secure a building permit with addendum for foundation and excavation, an application for which was filed on April 10, 1985. After provision of certain information, the permit is expected to be signed off by the Agency prior to the November 13, 1985 conveyance date. However, because of the building process delay, a new appraisal is required by the lender; a new bid requested from contractors; and the selected contractor's affirmative action program reviewed and approved. It is anticipated that all of this can be accomplished during the requested thirty day extension period.

NEW BUSINESS (continued)

Mr. Arnelle left the Meeting at this time, 4:33 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-85 BE ADOPTED.

- (d) Resolution No. 319-85 requests authorization of a Conditional Owner Participation (OPA) with Forest City Bayside Corporation and South Beach Investments, Inc. for the development of 841 dwelling units on the block bounded by Beale, Bryant, First and Brannan Streets in Rincon Point-South Beach ;
- (e) Resolution No. 320-85 requests Conditional Approval of the Basic Concept Drawings for this development;
- (f) Resolution No. 321-85 requests authorization of a Financing Agreement with Forest City Bayside Corporation and Southbeach Investments, Inc. in connection with the Agency's issuance of Tax Exempt bonds for their proposed development in Rincon Point-South Beach.

Mr. Kernan reported on items (d), (e) and (f) as follows. With regard to the proposed Financing Agreement, the Agency had previously adopted inducement resolutions indicating its intent to issue bonds for this development and is now actively working with the developer and consultants to do so. In accordance with Agency practice, the agreement requires the developer to reimburse the Agency for all expenses incurred in using its best efforts to issue bonds, regardless of whether the bonds are issued or not. The adjustable rate multi-family housing revenue option bonds required are not expected to exceed \$80 million. The developer has agreed to provide security for its reimbursement obligation to the Agency in an amount of \$50,000 in the form of cash, bond or letter of credit. The agreement is otherwise in the usual form adopted in connection with previous developments.

Mr. Arnelle returned to the meeting at this time, 4:38 p.m.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, explained the elements of the Owner Participation Agreement and the financing arrangements for the development.

The Commission noted their concerns about the use of tax increment financing funds by the developer and Mr. Cannizzaro explained that this would be a loan to the developer and a way to strengthen the project, plus obtain more low and moderate income housing. Also, the Board of Supervisors would have to approve this method before it could be used.

In reply to Mr. Arnelle's inquiry, Mr. Leo Borregard, Agency General Counsel indicated that this in his judgement does not establish a precedent for other transactions, as each transaction

NEW BUSINESS (continued)

will stand on its own and it is up to the Commission on a case-by-case basis to decide when they want to do it and if they felt the transaction did not warrant it, they would have absolute discretion not to do it.

Mr. Edmund Ong, Chief of Architecture, presented the design concept and noted staff's concerns and indicated they would be addressed in the next design phase.

The Commission requested that in the future more information be given them regarding the financing of a development, especially those that are marginally feasible.

Mr. Borregard requested a modification of the resolution for item (d) that in the last resolve clause, the Agreement would be approved by the Commission in the form lodged with Agency General Counsel together with such changes as the Executive Director and Agency General Counsel may approve. There are a number of items that do not affect the business deal, but there are a number of clean up items both sides have requested, which will be accomplished in the next day or so.

Mr. Commons requested that the approval of that part of the Agreement regarding Tax Increment be subject to the Commission being satisfied with the need for the use of Tax Increment funds to make the project feasible.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 319-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 320-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 321-85 BE ADOPTED.

- (g) Resolution No. 322-85 requests authorization of a Conditional Owner Participation Agreement (OPA) with R.J. Nathan, Inc. for the development of 414 dwelling units on the block located on the northerly side of Townsend Street between First and Colin P. Kelley, Jr. Streets in Rincon Point-South Beach.
- (h) Resolution No. 324-85 requests Conditional Approval of the Basic Concept Drawings for this development.
- (i) Resolution No. 324-85 requests authorization of a Financing Agreement with R.J. Nathan, Inc. in connection with the Agency's issuance of Tax Exempt Bonds for their proposed development in Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Kernan reported on items (g), (h) and (i) as follows. In regard to the proposed Financing Agreement, the Agency had previously adopted inducement resolutions indicating its intent to issue bonds for this development and is now actively working with the developer and consultants to do so. In accordance with Agency practice, the agreement requires the developer to reimburse the Agency for all expenses incurred in using its best efforts to issue bonds, regardless of whether the bonds are issued or not. The adjustable rate multi-family housing revenue option bonds required are not expected to exceed \$50,000,000. The developer has agreed to provide security for its reimbursement obligation to the Agency in an amount of \$50,000 in the form of cash, bond or letter of credit. The agreement is otherwise in the usual form adopted in connection with previous developments.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, explained the elements of the OPA and the financing arrangements for the development.

Mr. Mardikian noted his concern with the similarity in design to that of Forest City Bayside Corp., and found it unacceptable to build them all the same. Mr. Rodney Friedman of Fisher, Friedman, architects for both developments, expressed the opinion that the developments have two different concepts. Mr. Mardikian emphasized that the final product must be more diverse, so there can be a differentiation between the two projects.

Ms. Berk inquired if the units that would be available for low and moderate income persons would be distributed throughout the development. Mr. Cannizzaro indicated that they would be limited to the first four floors and no floor would have more than forty percent of low to moderate units.

Mr. Commons inquired about the fifteen percent density bonus. Mr. Cannizzaro explained that the density bonus would allow them to build 414 units instead of the 360 units that was allowed for that site, which will result in 54 low to moderate units instead of the 22 that had been expected without the bonus.

Mr. Edmund Ong, Chief of Architecture, presented the design concept and noted staff concerns. He noted these are basic concept drawings, which require substantial work that will be addressed in the next phase of design.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 323-85 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-85 BE ADOPTED.

- (j) Resolution No. 325-85 requests Conditional Approval of the Preliminary Construction Documents of Third Street Gateway Associates for the parcel located at the southeast corner of Third and Harrison Streets in Yerba Buena Center.

Mr. Kernan reported on item (j) as follows. The subject parcel is bounded by Harrison Street to the north, Third Street to the west, Perry Street to the south, and several existing owner participation structures situated in the northeast corner of the site. The proposed three story building, including two levels of parking for 67 cars facing Perry Street, contains approximately 30,300 square feet of occupied floor area. The schematic designed was approved in May 1985, subject to the satisfactory resolution of certain architectural concerns during the next phase of the work, which staff considers have been satisfactorily addressed. Samples of the proposed actual building materials, which staff finds acceptable, and a model of a portion of the building will be made available for review by the Commission.

Edmund Ong, Chief of Architecture, described the development and the design concept, at the same time noting the Developer had responded satisfactorily to staff design concerns as noted at the meeting of May 7, 1985.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-85 BE ADOPTED.

- (k) Resolution No. 326-85 requests approval of a revised Second Amendatory Agreement to the restated and amended Development and Disposition Agreement with YGB Associates, a California Limited Partnership for the Development of Central Blocks and East Block 2; Yerba Buena Center.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that item (k) would be continued for one week at staff request. There being no objection, it was so ordered.

Mr. Lee left the meeting at this time, 5:43 p.m.

- (1) Resolution No. 327-85 requests authorization of the Accompanying Labor Standards Provisions to become effective December 1, 1985, for inclusion in all future Land Disposition Agreements where commercial, industrial or residential development of twelve or more dwelling units is contemplated.

NEW BUSINESS (continued)

Mr. Kernan reported on item (1) as follows. Although Agency-awarded construction contracts always have contained Federal and State Labor Standards Provisions, LDA's have not. However, socially oriented housing built on redevelopment land with insurance or subsidies provided by HUD have been subject to Federal Labor Standards contained in the financial instruments. In addition, all of the Agency's multi-million dollar projects have been built by union contractors. When rehabilitation loans are administered under Section 312 of the Housing Act of 1964, HUD requires that in the case of residential property containing twelve or more dwelling units that the Federal Labor Standards Provisions be incorporated. These provisions would continue to apply whenever Section 312 funds again became available. Sections 11.01 through and including 11.14 in the Labor Standards specifically covers; "Applicability": although the language borrows from the State and Federal Governments, these provisions clearly are the work of the Agency; "Prevailing Wage": whereby the wage rate determined by the State is adopted by the Agency; "Payrolls and Basic Records": whereby in each weekly payroll the contractor is responsible for setting out accurately and completely the information required by Optional Federal Form WH-347. In addition, the prime contractor is responsible for submission of copies of certified payrolls by all subcontractors and for maintaining records during the course of the work and for one year thereafter; "Apprentices and Trainees": which permits a contractor to pay employees at a rate lower than that received by mechanics when the employee is in a State or Federally approved training program. This will prevent persons from being employed to perform specific tasks without acquiring the knowledge and skills required to advance to a mechanic's wage level; "Overtime": whereby overtime is paid at one and a half times the regular rate, consistent with Federal Labor Standards; "Violation and Enforcement": whereby the contractor shall be liable for unpaid wages, overtime wages and benefits. The developer is held responsible for seeing that the contractor pays employees and can withhold from the contractor any money owed the employees. In the event the developer fails to enforce the Labor Standards, the Agency may withhold Certification of Completion of the Improvements. "Health and Safety": whereby compliances with CAL-OSHA is reinforced; "Affirmative Action Program": which reinforces the Agency's policy of maintaining and furthering advances gained by minorities and women as a result of the years of enforcement of the Agency's affirmative action program. "Non-discrimination": whereby "whistle blowers" are protected from being discharged. "Posting of Notice to Employees": whereby the wage rate and Poster must be exhibited on the job site; "Arbitration of Disputes": whereby disputes are to be arbitrated according to the Rules and Regulations of the American Arbitration Association; "All Contracts and Subcontracts shall contain the Labor Standards": whereby it is advisable for the developer's architect to include the proposed Labor Standards

NEW BUSINESS (continued)

into specifications and for the developer to incorporate said specifications by reference in all construction contracts and for contractors to incorporate them into subcontracts. The proposed Labor Standards will not apply to development by Owner Participants.

Mr. Commons inquired if this is just a formality or is there something substantive and Mr. Kernan indicated it is substantive because in the past not all of the developers have followed the Labor Standards. In particular in smaller projects and in Hunters Point and perhaps some areas of the Western Addition, developers have not complied with prevailing wages. They have hired non-union, out-of-town labor and there has been no requirement that they pay prevailing wages. The larger projects, because of their visibility, and the activities of the unions, paid prevailing wages. All subsidized projects have in the past had to pay prevailing wages. So, there are areas that have had some lapses and it is believed that some housing is being constructed and prevailing wages are not being paid. Therefore, staff felt it appropriate to institute the Labor Standards Provisions for inclusion in Future Agreements.

Mr. Commons indicated that since staff felt it was appropriate, where did the pressure come from and Mr. Kernan indicated that there was no great outpouring of pressure, but a staff recognition that while the Agency is achieving a low cost for housing, it may also have achieved a high profit for the developer. This is particularly noticeable in Hunters Point, where the developer will charge the market rate for housing no matter what they produce it for. Also it is appropriate to pay prevailing wages.

Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that they just want to make it clear that it is the requirement of the Agency that the contractor pay prevailing wages.

Mr. Commons inquired if the Agency was making it more difficult for small contractors to build in really tough areas and Mr. Mills indicated that the experience has been particularly in Hunters Point with two contractors who are non-union. One has been very good with paying prevailing wages and he is coming in with his cost as originally projected, which is a unit under \$100,000. Another experience has been with a contractor/builder, who has not paid prevailing wages and it is felt he has been very abusive of the community workers in terms of paying low and his units have gone up about 15%.

NEW BUSINESS (continued)

Mr. Commons inquired if prevailing wages were the same as union wages and Mr. Mills indicated they are close.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-85 BE ADOPTED.

- (m) Resolution No. 328-85 requests authorization to Waive Section VII.A.4 of the Agency Personnel Policy to allow issuance on November 27, 1985 of paychecks due November 29, 1985.

Mr. Kernan reported on item (m) as follows. The subject Section provides that an employee may not be paid in advance of time worked, however, because many employees use either vacation or a floating holiday the day after Thanksgiving, in the past, advance payment of checks has been permitted. There is little risk in the Agency making the advance payments since most employees have sufficient leave to cover any unexpected absences that may occur and, in any event adjustments could be made to the following paycheck, if necessary.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 328-85 BE ADOPTED.

- (n) Resolution No. 329-85 requests authorization to make Individual Exceptions to Section VI.A.2.g. of the Agency Personnel Policy.

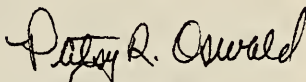
Mr. Kernan reported on item (n) as follows. The subject Section limits the amount of vacation that can be carried forward into a new year to 240 hours and employees with vacation in excess of this, as of December 31st, have these hours deducted from their vacation account. Demands have been made on certain staff members during 1985 that will not permit them to use sufficient vacation time before the end of the year to bring their hours down to the 240 hour level. A maximum of eight staff members are involved and individual cases will be reviewed by supervisory staff. If the required workload is found to be such that it precludes the individual taking the excess vacation by the end of the year then a waiver would be granted. It is intended that any carry-over vacation will be used in 1986 thereby eliminating the necessity of a waiver next year.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 329-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

January 28, 1986

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF NOVEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of November, 1985, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

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Leroy King, President
H. Jess Arnelle

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Tony Lumsden and Don Brickenhoff, DMJM; Donald Tishman, Clifton Jeffers and Arnold Townsend, Fillmore Center Developers; James San Jule, Dan Trust, Regina Rupiper and Tony Taylor, Fillmore Associates, Inc.; Edward Quinn, Jr., McDonough, Holland & Allen; John Spurgeon, Perini Corp.; Jay Kilborn, Director-S.F. League of Urban Gardens; Clifford Franklin, Frederick Douglas Gardens; Ilene Weinreb, Bay Area Council; G. Jackson, N.A.A.C.P.; Peter Wilhelm, Kimball Park; Leola Havard, Chairman Board of Trustee, and Dr. Amos C. Brown, Pastor, Third Baptist Church; Larry Haynes and Patrick Knapp, Western Addition Association; Pleasant P. Carson, Jr., Middle Passage Visual Arts Workshop; Mildred Burrell and John H. Yerman, Fillmore Merchants Assoc.; Dwight Kinnard, P & K Trucking Co.; Jeffrey R. Greendorfer, Assistant Secretary, S.F. Labor Council; John Papagni, Sarah Walley, Debra Edgerly, Ocie Mae Rogers, Bob Davis, Essie Collins, Luther Scott, T. Willand, Arthur McMillan, Joseph Skiffer, Katherine Nash, Deborah Edgerly, Nat Manson and L. Jamie Jamerson, interested citizens.

Representing the press were: Gerald Adams, San Francisco Examiner; Marshall Kilduff; San Francisco Chronicle; Dan Borsuk, San Francisco Progress; Belva Davis, Channel 4 TV.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On November 18th, the Board of Supervisors passed on the intention to order the vacation of Ellis Street between Fillmore and Steiner Streets, which is part of the Fillmore Center Development, setting a public hearing date for December 23, 1985.
- (b) The Board of Supervisors' Planning, Housing and Development Committee have on their agenda today several Redevelopment Agency items. Mr. Kernan will be covering those items and report back on their outcome.
- (c) President King has been selected as one of the three recipients of the 1985 Bay Area Union Labor Party Annual Leadership Awards being presented by the Teamsters November 22 at a luncheon.

UNFINISHED BUSINESS

Resolution No. 326-85 requests authorization of a Second Amendment to the Disposition and Development Agreement (DDA) with YBG Associates in connection with the Central Blocks and East Block 2 in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. Following execution of the Restated and Amended DDA in December 1984 and a First Amendment in January 1985, extensions were approved for: the requirement that the Agency notify the Developer of the gardens and cultural architects selected; the time of garden design negotiations between the Agency and Developer; and a CB-3 Project Lease Amendment and Surface Lease substitution. In Addition to memorializing these time extensions, the proposed Amendment confirms the acceptability of a late delivery of certain data from the City. It also clarifies DDA timing ambiguities of conveyance and possessions as to certain parcels; makes several non-substantive clarifying language changes; and removes time extensions from formal DDA amendments, although they will be confirmed in writing and will require Commission approval. Since a revised Schedule of Performance is under discussion relating primarily to the Retail/Amusement, Recreation, Entertainment (R/ARE) Cultural and Gardens uses, the extensions with respect to the notification for the gardens and cultural architects are not included in the Second Amendment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 326-85 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in granting variances to Fillmore Center Developers for Parcels 707-A, 726-A, 750-A and 749-C in the Western Addition A-2.

NEW BUSINESS (continued)

Resolution No. 330-85 requests authorization of Two Variances to Fillmore Center Developers which modify certain Development Standards and Requirements of the Redevelopment Plan ("Plan") for the Western Addition A-2.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcels 707-A, 726-A, 750-A and 749-C in the Western Addition A-2.

Resolution No. 331-85 requests authorization of an LDA with Fillmore Center Developers for the parcels located between Fillmore, Steiner, Geary and Turk Streets and the parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Acting President Newman opened the Public Hearings to hear all persons interested in these matters.

- (c) Resolution No. 332-85 requests approval of the Basic Concept Drawings, subject to satisfactory resolution of design concerns, for this development.

Mr. Hamilton reported on items (a), (b) and (c) as follows. The subject Variances will permit the Fillmore Center Developers project to proceed at the densities proposed and incorporated into an LDA, which has a development program of: 73,000 gross square feet for retail and office commercial; 27,000 gross square feet for housing associated recreational; 30,000 gross square feet for community facilities; and 3,472 Agency rooms contained in various sized housing units. This development is to be constructed on Agency-owned land, located in several "Plan" land use districts, and still to be acquired land on Ellis Street, when vacated. The first Variance would eliminate any lot coverage requirement for recreation related to housing and for community facilities, but maintaining the 1.2-to-1 lot coverage requirement with respect to commercial. By eliminating the lot area requirement for these two uses but still maintaining the lot area requirement for commercial, 60,817 square feet would be deducted from 389,892.60 square feet for commercial, leaving 329,075.60 square feet available for housing. 3,472 Agency rooms on 329,075.60 square feet of land produces an overall per room density of 94.77 square feet of lot area for each Agency room, whether such room is located in an RM or an RH density use district. The second Variance thus would permit an Agency room in any use district with not less than 94.75 square feet of lot area. The proposed resolution caps the permitted development densities and will be effective only upon approval of the LDA and the vacation of Ellis Street between Fillmore and Steiner Streets. Also, the Variances only continue if the land is

NEW BUSINESS (continued)

conveyed to the developer in accordance with the terms, and conditions of the LDA and the Variance would not apply to unconveyed land. It is therefore recommended that in order to permit the entire development program that you grant the variance eliminating the lot coverage requirement for the proposed community and recreational uses, and the variance reducing the lot coverage requirement for each Agency room wherever located and regardless of use district to 94.75 square feet. Housing Associates, Inc. and its sole shareholder, Donald H. Tishman, has formed a limited partnership known as Fillmore Center Developers with the following entities as limited partners: The Church Partnership; FAHA Associates; JAHAC Associates; and DHT Interests Associates. Fillmore Center Developers shall at all times remain responsible for all the Developer's obligations under this Agreement, however, this entity will not be directly taking title to the Site and Improvements. To provide equity for this project an investment partner will be proposed for Agency approval to be admitted as a partner prior to conveyance in an overall operating partnership to be formed in the future. That entity will be known as "Fillmore Center Investors" and formed as a California general partnership with Fillmore Center Developers as sole managing General Partner. The Agency reserves the right to approve or disapprove participation in the structure of any persons not identified and the interest of all parties having a direct or indirect beneficial interest in the site or this Agreement shall be subject to the terms of the LDA. The site is to be used in accordance with the Western Addition A-2 Redevelopment Plan and any variance therefrom permitted by the Commission. The project design is only in the pre-schematic design phase and substantial design work remains to be done, however, it is believed that concerns identified can be addressed satisfactorily during the next phase. It is anticipated that the developer will select a "fast track" method of schedule whereby construction will be permitted to commence with a Site Permit and Excavation Addenda whereas normally a full building permit would be required. Based upon evaluation of two independent appraisers, \$9,007,530 has been determined to be the property's fair reuse value. Financing will primarily be by the Agency's issuance of tax free industrial bonds approximating \$120 million with financial requirements in excess of this to be met by public syndication of limited partnership interests. It is proposed to present the exact details of this financing at the Agency meeting of December 3rd. In the event this financing is not available, the developer will have 80 days to provide acceptable substitute financing and 90 days to renegotiate the LDA. Included in the agreement are a number of undertakings by the developer which are considered will be beneficial to the community.

NEW BUSINESS (continued)

Mr. Edward Quinn, Jr., Legal Consultant for the Agency from McDonough, Holland & Allen, recited from his letter dated November 18, 1985, regarding Modifications to the Published Agreement for Disposition of Land for Private Development (LDA) between the Agency and Fillmore Center Developers.

Mr. Tony Lumsden, DMJM, described the development and its design concept. Mr. Don Brickenhoff, DMJM, presented the design for the Central Gardens Concept.

The following persons expressed their views regarding the proposal: Ilene Weinreb, Bay Area Council; Joseph Jackson, NAACP; Jay Kilborn, Director San Francisco League of Urban Gardens; George Jackson and Clifford Franklin, Frederick Douglas Gardens; Leola M. Havard and Dr. Amos C. Brown, Third Baptist Church; Patrick Knapp, Western Addition Neighborhood Association; John H. Yearman, Pressler's representing Fillmore Merchants Association; Mildred Burrell, Fillmore Merchants; Clifton Jeffers, Arnold Townsend, Fillmore Center Developers; Dwight Kinnard, P & K Trucking Co.; Jeffrey R. Greendorfer, San Francisco Labor Council; Interested Citizens: Arthur G. McMillan, Joseph Skiffer, Katherine Nash, Deborah Edgerly, Nat Manson, L. Jamie Jamerson.

Acting President Newman read a letter dated November 19, 1985, from Mayor Dianne Feinstein expressing support for the project and a letter from Commissioner Jesse Arnelles dated November 15, 1985, expressing conditional approval.

There being no further persons wishing to appear in connection with these matters, the Acting President declared the public hearings closed.

After discussion and questions by Commissioners to staff, a recording of which is on file with the Agency Secretary, the following resolutions were adopted:

ADOPTION: IT WAS MOVED BY MR. LEE, AND SECONDED BY MR. COMMONS, THAT RESOLUTION NO. 330-85 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Commons
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. COMMONS AND SECONDED BY MR. LEE THAT RESOLUTION NO. 331-85 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Commons
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 332-85 BE ADOPTED.

Acting President Newman announced that the meeting would be recessed briefly. The meeting recessed at 6:20 p.m. and reconvened at 6:30 p.m. with the same roll call.

- (d) Public Hearing to hear all persons interested in a Land Disposition Agreement for ECR Parcel 3A in the Western Addition A-1 and A-2.

Resolution No. 333-85 requests authorization of an LDA with Western Commercial Partnership I for ECR Parcel 3A (Parcel 708-B, the former Mayfair Store) located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

- (e) Resolution No. 344-85 requests approval of the Basic Concept Drawings, subject to the satisfactory resolution of design concerns, for this development.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (d) and (e) as follows. It is proposed to construct 156 residential units and 60,000 square feet of office and retail commercial space, both of which are in accordance with land use designations under the Western Addition A-1 Redevelopment Plan. The project design is only in the basic concept phase and substantial design work remains to be done, however, it is believed that concerns identified can be satisfactorily addressed during the next phase. It is anticipated that the developer will select a "fast track" method of schedule whereby construction will be permitted to commence with a Site Permit and Excavation Addenda whereas normally a full building permit would be required. Based upon evaluation of two independent appraisers, \$1,800,200 has been determined to be the property's fair reuse value. Financing will primarily be by the Agency's issuance of tax free industrial revenue bonds approximating \$25 million with financial requirements in excess of this to be met by the partnership interest. It is proposed to present the exact details of this financing at the Agency meeting of December 3rd. In the event this financing is not available, the developer will have 180 days to provide acceptable substitute financing and 90 days to renegotiate the LDA. Completion of the development is expected within thirty-six months after approval of an LDA and ground breaking in the early Spring of 1986 is anticipated.

Mr. Edward Quinn, Jr., Legal Consultant for the Agency from McDonough, Holland & Allen, recited from his letter dated November 18, 1985, regarding Modifications to the Published Agreement for Disposition of Land for Private Development (LDA) between the Agency and Western Commercial Partnership I.

Mr. Borregard, Agency General Counsel, indicated that this property is subject to a document known as the Easement Covenants and Restrictions (ECR) agreement. The parking obligations and requirements are spelled out in that Agreement. There was some concern expressed relative to condominium guest parking on the parking lot and an arrangement was worked out with Safeway representatives this morning which will clarify and protect Safeway's concern in that regard. This will require an amendment to the ECR which will be brought before the Commission at the regular meeting on November 26, 1985. It is therefore proposed that action be taken on the LDA today after the public hearing with the understanding that it will not become effective until the date of approval of the ECR Amendment.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-85 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in the Agreement of Sale of Parcel 725-D in the Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 335-85 requests authorization of an Agreement of Sale with Western Commercial Partnership II for designation as purchaser of "Safeway Office Building", located on the east side of Fillmore between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. In August 1981 an Agreement was authorized with Safeway Stores to develop a Safeway Store and also a three story commercial office building that would be resold to the Agency or its designees for cost, within 60 days of its completion. A down payment of \$1.2 million was placed in escrow for the building by the Agency. Staff carried on informal negotiations with potential buyers and in late 1984 Western Commercial Partnership II (WCP II) became seriously interested in the building as a natural extension of its proposed development of the Geary-Webster frontage triangle. Exclusive Negotiations were authorized with WCP II in February 1985. WCP II has now executed an Agreement that provides for them to replace the Agency's \$1.2 Million deposit, assume the Agency's rights and obligations and provide preferential leasing and investment opportunities to Western Addition businessmen and investors. They will also lease a parking lot provided by the Agency with UDAG funds on the parcel behind Safeway to provide permanent parking before its tenancy is terminated by the Agency.

The community benefit activities to be undertaken include soliciting equity participation by local investors of 15.84% on the terms of an approved limited partnership agreement. Failing full acceptance of participation share by local investors, the Agency may acquire them. They are to provide preference in leasing to certified businesses of certificate holders at reasonable rents, seeking out certificate holders by a specified outreach program; and refrain from selling the property for 5 years except with Agency consent, which may require, if granted, an excess profit sharing arrangement.

NEW BUSINESS (continued)

Leo Borregard, Agency General Counsel, indicated that there had been two changes since the publication of the notice of the public hearing. One concerns Section 503 which relates to enforcement rights of the Agency in the event that the developer either breaches the lease agreement or fails to provide permanent parking and the Agency does not extend the temporary parking. The other change is an amendment which is an arrangement that the Developer and Safeway will be a party to and which will be executed at the time of the office building purchase. It is designed to clarify the 80 parking space requirement and to assure that these spaces will be provided as a condition of the use of the non-retail commercial space of the building. It is a requirement of the LDA and will also now be a requirement of the Easement Agreement.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 335-85 BE ADOPTED.

- (g) Public Hearing to hear all persons interested in the authorization of a Deed for 1965 O'Farrell Street in the Western Addition A-2.

Resolution No. 336-85 requests authorization to sell to Maurice and Mary Gottlieb a condominium unit at 1965 O'Farrell Street in the Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

- (h) Resolution No. 337-85 requests authorization of an Unsecured Personal Loan for payment of non-recurring Closing Costs related to this sale in an amount not to exceed \$4,000.

Mr. Hamilton reported on items (g) and (h) as follows. The Gottliebs were not in the initial group of applicants approved as potential purchasers however, they meet the selection criteria and First Nationwide Savings has approved their proposal to purchase. When it became apparent that an additional marketing incentive was necessary to obtain buyers for the last three Endicott Court units, an analysis was made of applicants who had not been able to meet the program requirements. Based upon this analysis, a determination was made to offer loans to purchasers from the A-2 Housing Fund sufficient to cover non-recurring closing costs. The Gottliebs responded to this offer and wished to borrow funds from the Agency to cover these costs. The loan cannot be secured by the property since the total debt would then exceed 95% of the value, thereby exceeding First Nationwide's

NEW BUSINESS (continued)

underwriting criteria. Interest will accrue at 10% per annum and the principal and interest will be due and payable at the time of sale or in ten years, whichever occurs first. Applications for the two remaining units in the Endicott Court Development are being processed.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 336-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 337-85 BE ADOPTED.

- (i) Resolution NO. 338-85 requests authorization of an Amendment to the City/Agency Agreement for the administration of the Fillmore UDAG Project in the Western Addition A-2.

RULE OF THE CHAIR: Acting President Newman indicated that subject to the objection of any Commissioner that Item (i) would be continued for one week at staff request. There being no objection, it was so ordered.

- (j) Resolution No. 339-85 requests authorization of the Issuance, Sale and Delivery of Variable Rate Demand Multi-family Housing Revenue Bonds, 1985 Issue B, in the Aggregate Principal Amount of approximately \$36 million dollars in connection with Rincon Center Associates development in Rincon Point-South Beach.

Mr. Hamilton reported on item (j) as follows. An Owner Participation Agreement (OPA) was approved in August 1985 for the historic rehabilitation of the Rincon Annex Post Office for office and retail commercial use. In addition two, 264-foot residential towers containing approximately 316 dwelling units will be constructed, the ground floor of which will be used for retail commercial and the next five stories for offices. As a basic obligation, the Owner will rent or sell 46,000 square feet of housing to low-and moderate-income households and this obligation will be increased by 12,000 square feet if the Owner adds office space to the roof of the Annex building. In exchange for tax-exempt financing, during the period the bonds are in place, 20% of the units will be rented to low-income households, 15% to middle-income households. When the bonds are defeased, the basic obligation will remain in place. The OPA contemplated the issuance of tax-exempt financing, and in November 1985, a Financing Agreement was approved providing for the Agency to use its best efforts to do so. It is now proposed that the Agency issue approximately \$36 million dollars of bonds with a 21-year term and sell them to Citicorp Investment Bank and Citibank, N.A.

NEW BUSINESS (continued)

pursuant to a Bond Purchase Contract. The bonds would have a stated interest rate for a short time after issuance, followed by a variable rate to be determined weekly. After March 3, 1986, the Developer and Citibank may convert from the variable to a fixed rate, which the bonds will bear until maturity. The fixed rate will be determined by the Remarketing-Agent, Citibank, N.A. as being the lowest rate in its judgement, having due regard to the prevailing financial market conditions, necessary to sell the bonds at par. Prior to conversion to a fixed rate, bondholders may render bonds for repurchase at par upon seven days notice, which bonds will be marketed to other purchasers or purchased by the Bond Trustee, Seattle-First National Bank. As additional security for the bonds, Citibank will issue an irrevocable Letter of Credit which will terminate in December 1997, and if it is not replaced, then the bonds are required to be redeemed. Documents that will be approved upon adoption of the proposed resolution are: The Indenture of Trust; The Bond Purchase Contract; The Preliminary official Statement and Official Statement; The Regulatory Agreement; The Loan Agreement; and the Rules and Regulations which are required by SB-99 legislation. As is usual in Agency SB-99 financings, the bonds will be limited obligations of the Agency payable only from revenues of this issue, and will not be a debt or liability of the City and County of San Francisco. All costs of issuing the bonds will be paid from the bond proceeds and Agency will receive a financing fee of 1% of the bonds.

Mr. Ken Jones, Bond Counsel from Jones, Hall, Hill & White responded to questions from the Commissioners with regard to various aspects of the bond issue.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 339-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting by adjourned. The meeting adjourned at 7:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

February 11, 1986

85

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF NOVEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of November, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President
H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers, Hunters Point; Stuart Wilson, Douglas Ross, Ross-Wilson Remsberg; Mary Helen Rogers, Western Addition; M.J. Staymates, Calvin Lau, WANA; George Colbert, Terry Collins.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 24, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) The Agency's offices will be closed Thursday, November 28 in observance of Thanksgiving Day, and opened for business on Friday, November 29.
- (b) With regard to the work stoppage at St. Francis Place in Yerba Buena Center the matter is under discussion and is expected to be resolved expeditiously. Completion is still anticipated to be in January 1986, on schedule. An Informational Memorandum will be forthcoming to the Commission on this subject.

- (c) The City of San Francisco, through the Mayor and her Fiscal Advisory Committee, conducts an annual review and analysis of the work being done in the various departments to determine those people who over the course of the prior year and, in some instances many years, have demonstrated rare or unusual excellence in management skills. Those people are nominated for a City-wide award, which is done at an annual luncheon, sponsored by the Mayor's Fiscal Advisory Committee. This year one of the nominees was Mrs. Lee Cayton, Supervisor of Housing Management Services for the Agency. Mrs. Cayton was one of the finalists and the following letter from Mr. Ben Dial, Co-Chair of the Fiscal Advisory Committee, was written to Mrs. Cayton: "On behalf of the Mayor's Fiscal Advisory Committee, I would again like to congratulate you on your nomination for this year's managerial excellence awards. The enclosed certificate is presented to you in recognition of your managerial achievements and commitment to excellence. It carries with it our appreciation for a job well done. I wish you continued success." Ms. Patsy Oswald, Agency Secretary quoted from the certificate: "This is the 1985 Managerial Excellence Certificate of Merit presented to Lee Cayton in recognition of her managerial achievements by the Mayor's Fiscal Advisory Committee."

UNFINISHED BUSINESS

- (a) Resolution No. 338-85 requests authorization of an Amendment to the City/Agency Agreement for the administration of the Fillmore UDAG Project in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The Department of Housing and Urban Development's Regional Office has requested that the City and Agency amend their Agreement regarding the conveyance date for the old Mayfair Market site, located on the south side of Geary, between Webster and Fillmore Streets. The Fillmore UDAG Project, which the Agency has been administering since 1981, involved Federal assistance toward the development by Safeway Stores, Inc. of a major supermarket and a 60,000 square foot office building. The transaction was supported by the acquisitions of the old Mayfair Market site by the Agency, which transaction was completed utilizing UDAG funds. The subject Agreement called for the site to be conveyed to a private developer by November 1, 1982 or the Agency would borrow against the improvements with the proceeds to be made available to the North of Market UDAG. Since it did not prove to be prudent to borrow on the open market, the City and the Agency structured a transfer agreement to pass through the City the then unrequired land acquisition funds from the Rincon Point-South Beach project. These funds of approximately \$1.3 million were to be made available to the North of Market UDAG at no interest and repaid to the Rincon Point-South Beach project upon the sale of the Mayfair Market site. This agreement required that the entire transaction be completed by May 1, 1986.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 338-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 340-85 requests authorization of the Method of Sale; Minimum Disposition Prices; and Advertising Expenses in an amount not to exceed \$4,000 in connection with Rehabilitation Offering No. 25 in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This offering covers the Five Agency-owned buildings, located at 1694-1698 Sutter Street/1714-1719 Laguna Street; 1956-1960 Sutter Street; 1151 Webster Street; 1917 Ellis Street; and 1866 Turk Street. At this time it is proposed to delete 1866 Turk Street and 1151 Webster Street from this offering. The subject parcels are improved with two and three-story wood-framed Victorian and Edwardian style buildings constructed between 1885 and 1925. 1917 Ellis Street is being re-offered because the sole former respondent was unable to obtain financing and the LDA terminated by its own terms. The offering provides that 1694-1698 Sutter/1714-1718 Laguna may be rehabilitated or new construction developed. Since rentals are only marginally feasible due to the extensive rehabilitation work required, condominiums are also permitted thereby ensuring the offering is not restricted to high income individuals and providing an opportunity for Certificate Holders to participate. The standard Agency profit limitation/sharing provision will be included in LDA's for condominiums. As is normal practice, one list will be established for Certificate of Preference Holders, each of which would be ranked by the price offering providing it is equal to or exceeds the minimum response price. During a 6-8 week period, competitive bids will be solicited and publicly opened thereafter. An expenditure for advertising in an amount not to exceed \$4,000 is proposed to ensure the necessary market exposure. Selection will be based upon the highest response received within each preference category and it is anticipated that the necessary evaluations will be completed by March 1986, to be followed by Commission consideration of exclusive negotiations.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 340-85 BE ADOPTED.

- (b) Resolution 341-85 requests authorization of a First Amendment to the Document entitled "Easements with Covenants and Restrictions Affecting Land" (ECR) in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Leo Borregard, Agency General Counsel, reported on item (b). This document, which is part of the transaction between the Agency and Safeway Stores, Inc., was recorded on July 1, 1982. The ECR affected three parcels, upon two of which the Safeway supermarket and office building were to be built with the third being retained by the Agency. The third parcel, now being disposed of by the WCP I LDA, authorized on November 19, 1985, is subject to the ECR Amendment. The ECR provides a long-term relationship between the owners of the three parcels including parking on the common areas. Furthermore, although language in the ECR, in the opinion of Agency General Counsel, allows housing, it did not speak specifically to housing as a permitted use. Discussions with Safeway revealed that they had no objections to such housing, but did have concerns with respect to the common area parking, which was intended to serve the commercial uses of the three parcels. Agreement has now been reached with Safeway and approved by WCP I resulting in the proposed First Amendment which: expressly confirms the housing use; restricts the housing tenants and owners and their respective guest, invitees and employees from parking on the common parking areas; and requires WCP I to make parking spaces available in its underground garage in excess of those required for housing between the hours of 5:00 p.m. and 10:00 p.m. when the supermarket is open.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO.341-85 BE ADOPTED.

- (c) Resolution No. 343-85 requests Conditional Approval of Revised Basic Concept Drawings for R.J. Nathan, Inc.'s Development on Block 3789, Lot 26, located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. On November 12, 1985 you conditionally approved an Owner Participation Agreement and Basic Concept Drawings for the development by R.J. Nathan, Inc., of approximately 414 dwelling units and 8,000 square feet of commercial space on a portion of Development Site I. One condition of your approval of the concept drawings was that refinements be made to some of the physical dimensions of the project. Nathan has been working very hard to get his project ready for a bond sale before the end of this year. Part of this effort has been to refine his design concepts. Last week the developer shared his work-in-progress revisions with Agency staff and, while they appeared to be generally consistent with the concepts you approved earlier, we anticipated that some of the changes which ultimately come forward might be sufficiently significant so as to warrant your further review and approval. Yesterday, the developer submitted his revisions and staff is of

NEW BUSINESS (continued)

the opinion that they remain consistent with your earlier approval and no further approvals are required at this time. It is therefore requested that Resolution No. 342-85 be tabled.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (c) Resolution No. 342-85 would be tabled at Staff request. There being no objection, it was so ordered.

- (d) Resolution No. 343-85 requests authorization of a Personal Services Contract with Architectonics, Inc. for Data Processing Programming Services in an amount not to exceed \$52,000 for the 1986 calendar year.
- (e) Resolution No. 344-85 requests authorization to upgrade the Agency's Data Processing capability in a total amount not to exceed \$140,000.

Mr. Larry Wright, Deputy Executive Director for Finances, and Mr. Gene Griffith, Architectonics, Inc. reported on items (d) and (e). An IBM System 30 (S/38) was purchased in April 1983, however, constraints in storage capability required a system upgrade in April 1984 to the current S/38, Model 4. Although advantage has been taken of the system's advanced technology by improving payroll, purchasing, accounts payable, and affirmative action applications, it is believed that the demand throughout the Agency requires additional capacity which can be achieved by: remaining centralized whereby the S/38 would be retained but "traded-up" to a Model 18; decentralizing by acquiring personal computers, printers and software; or partially decentralizing by adding a combination of personal computers, terminals and printers. A decentralized or partially decentralized system is not considered to be a viable alternative as it would unduly complicate the data processing operations by requiring personnel to learn additional software and there would be no assurance that the highly desirable element of having information resident in the system's main-frame would be accomplished. The S/38 is considered to be a highly efficient machine, capable of serving all of the Agency's data processing needs. In addition to better security being afforded with one centralized repository, management would be provided with ready access to all Agency data. It is therefore proposed to upgrade the data processing capacity, including storage capability, printers and terminals at a cost not to exceed \$120,000. Staff is currently evaluating the purchase of word processing and project management equipment which, if found suitable, would be purchased at a cost not to exceed \$20,000. However, if they are not found acceptable then authority is requested to purchase substitute software packages. In March 1984 Gene Griffith, through his own company, Architectonics, Inc. was assigned to assist the Data Processing

NEW BUSINESS (continued)

Manager on an "as needed" basis in the conversion process from the old System 3 to the New System 38. It is now proposed to formalize this arrangement by entering into a Personal Services Contract which will alleviate the need for a full-time Data Processing Manager, a position which has been vacant since October 1984.

Mr. Gene Griffith of Architectonics, Inc., explained in detail the need to upgrade the Agency's Data Processing capabilities and responded to questions from the Commissioners.

Mr. Lee inquired as to when the next purchase would be. Mr. Larry Wright, Deputy Executive Director of Finance, indicated that the proposed upgrading of equipment should satisfy the Agency's needs for about another four years.

Ms. Berk inquired regarding the uses for upgraded equipment and what it is capable of doing that the present equipment is not. Mr. Wright replied that the upgraded equipment would be used by the Project Directors, particularly for Rincon Point-South Beach and Yerba Buena Center, since they need new tools to manage the projects. Also, a centralized word processing system would be in place.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 345-85 requests authorization to issue 1985 Revenue and Tax Allocation Refunding Notes, not to exceed the principal amount of \$18 million, for the South Beach Harbor Project in Rincon Point-South Beach.
- (b) Resolution No. 346-85 requests authorization to Call for Bids for Notes; to approve the Official Notice of Sale of Notes and Official Statement, and to authorize and direct certain actions with respect thereto in connection with 1985 Revenue and Tax Allocation Refunding Notes for the South Beach Harbor Project in Rincon Point-South Beach.

A discussion occurred between the Commission, Staff and Financial Consultant regarding whether there was an actual savings in the refinancing of these bonds. Mr. Cannizzaro, Project Director, Rincon Point-South Beach, indicated that there was a potential savings, which would be analyzed further and a recommendation made to the Commission before any notes are actually sold. Subject to an explanation with regard to savings in the refinancing of the notes, the following resolutions were adopted.

NEW BUSINESS (continued)

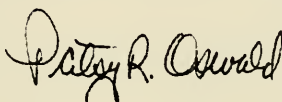
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 346-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

January 28, 1986

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF DECEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of December, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

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and the following was absent:

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Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: James San Jule, Fillmore Associates, Inc.; Ocie Mae Rogers, Hunters Point; Joan H. Yerman, Fillmore Merchants; Nicholas Dempsey, Western Commercial Partnership; Patrick Knapp, WANA; Arnold Townsend.

Representing the press were: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of October 1, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of October 1, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of October 15, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On December 2nd, at the Board of Supervisors meeting the Housing Revenue Bonds for Cathedral Hill Plaza West (Western Commercial Partnership) and Fillmore Center Projects (Tishman) passed, both are items before the Commission today for approval as items (f) and (g).
- (b) Also regarding Bond issues, there will be a Special Finance Committee meeting held on December 9 to consider Residential Mortgage Revenue Bonds for two developments in the Rincon Point-South Beach Area, which are the R.J. Nathan, Inc. development for \$50 million and Forest City Bayside and Southbeach Investments for \$80 million.
- (c) The Agency's Christmas Party this year will be held on December 18 at 12 Noon at the Cathedral Hill Hotel.

NEW BUSINESS

- (a) Resolution No. 347-85 requests authorization to extend Exclusive Negotiations for approximately forty-five days with Jack Robbins for Parcel 780-E located on the west side of Webster between Fulton and McAllister Streets and Parcel 1102-A located on the west side of Broderick between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Exclusive negotiations were authorized in September 1985 for the construction of three market rate condominiums on one parcel and two units on the other. Schematic drawings and an affirmative action plan have been submitted. However, additional time is required for publication of the Notice of Public Hearing, which is scheduled for January 1986, resulting in the requested extension

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 347-85 BE ADOPTED.

- (b) Resolution No. 348-85 requests authorization of a Third Amendment which increases the amount payable and extends the term of the Personal Services Contract for reuse appraisal services with Rudolph D.Barker.
- (c) Resolution No. 349-85 requests authorization of a Second Amendment which increases the amount payable and extends the terms of the Personal Services Contract for reuse appraisal services with Jayson F. Bryant.

NEW BUSINESS (continued)

- (d) Resolution No. 350-85 requests authorization of a Second Amendment which increases the amount payable and extends the term of the Personal Services Contract for reuse appraisal services with Ray C. Carlisle.
- (e) Resolution No. 351-85 requests authorization of a Fifth Amendment which increases the amount payable and extends the term of the Personal Services Contract for reuse appraisal services with Marshall and Stevens, Inc.

Mr. Hamilton reported on items (b), (c), (d) and (e) as follows. The subject contracts are for services required to update appraisals through the end of the calendar year 1986 in all Redevelopment Project areas except Rincon Point-South Beach. It is anticipated that thirty-eight appraisals will be needed during this period, including fifteen for rehabilitation properties and twenty-three for disposition parcels at an estimated cost of \$1,500 per appraisal for a total budgeted expense of \$57,000. As of November 1 the contract balances total \$32,500 for seven appraisers who have contracts with the Agency thereby leaving the need for an additional \$24,500. Because the Agency has a continuing need to obtain appraisals, it is proposed four appraisers' contracts with low balances be amended increasing their contract amount by six thousand dollars each for a total of \$24,000. Three of the four appraisers are minorities and all are experienced in both vacant land and rehabilitation appraisals evaluations.

In response to an inquiry by Mr. Newman, Susan Ranney, staff Senior Realty Agent, indicated that the appraisers work on an hourly basis, all at the same compensation.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 348-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 349-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-85 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 351-85 BE ADOPTED.

- (f) Resolution No. 352-85 requests authorization of the Issuance, Sale and Delivery of Multi-Family Collateralized Housing Revenue Bonds, 1985 Issue C, in an approximate amount of \$24,500,000 with a twenty-two year term for the Cathedral Hill Plaza West Project in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (f) as follows. In November 1985 an LDA was authorized with Western Commercial Partnership I for the construction of 156 units of rental housing and 59,000 square feet of commercial space. Twenty percent of the units will be rented to low-income households and thirty percent will be affordable, as defined by the State and City Housing Affordable Guidelines. As contemplated by the LDA, it is now proposed that the Agency issue approximately \$24.5 million tax-exempt bonds and sell them to the underwriter, Dillon, Read & Co., Inc., pursuant to a Bond Purchase Contract. Specific documents, also included in this resolution, were outlined in the memorandum sent to the Commissioners. All costs of issuing the Bonds will be paid from the Bond proceeds and, in addition, the Agency will receive a Financing Fee of one percent of the Bonds.

Mr. Arnelle inquired whether the \$24.5 million amount of the bonds was a coincidence or just to get to the limit of \$25 million approved by the Board of Supervisors. David Oster, Assistant Agency Counsel, indicated that the amount was based upon calculations made by the underwriters and had been recently changed because of the need for a reserve fund.

Mr. Newman inquired as to the interest rate to which Mr. Oster responded that it was expected to be approximately 7-3/4%, but would not exceed 8½%. Mr. Newman further inquired as to the amount of equity of the developer to which Mr. Nicholas Dempsey, representing the developer, replied \$7.9 million.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 352-85 BE ADOPTED.

- (g) Resolution No. 353-85 requests authorization of the Issuance, sale and Delivery of Adjustable Rate Multi-Family Housing Revenue Option Bonds, 1985 Issue A, in an approximate amount of \$120 million with a twenty-two year term for the Fillmore Center Project in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. In November 1985 an LDA was authorized with the Fillmore Center Developers for the construction of 1113 units of rental housing; 73,000 square feet of commercial space; and a 16,000 square foot community building. Twenty percent of the units will be rented to low income households and thirty percent will be affordable as defined by the State and City Housing Affordable Guidelines. As contemplated by the LDA, it is now proposed that the Agency issue approximately \$120 million tax exempt bonds and sell them to the managing underwriter, First Boston Corporation pursuant to a Bond Purchase Contract. Specific documents, also included in the proposed resolution, are outlined in the memorandum sent to

NEW BUSINESS (continued)

the Commission. All costs of issuing the Bonds will be paid from the Bond proceeds and, in addition, the Agency will receive a Financing Fee of \$500,000.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 353-85 BE ADOPTED.

- (h) Resolution No. 354-85 requests authorization of an "Inducement Resolution" expressing the Agency's intent to issue Mortgage Revenue Bonds or Notes to finance Residential and Commercial Facilities on the parcel located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (h) as follows. Exclusive Negotiations were authorized in October 1985 with San Francisco Development Company as the result of a Request for Qualifications (RFQ) which indicated that, if legally permitted, the use of Mortgage Revenue Bonds would be considered. In order to initiate this process, an Inducement Resolution, which in no way binds the Agency to issue the bonds, is proposed to permit pre-development expenses to be included in project costs which can be covered by the financing in the event the Agency becomes the issuer. The developer, who proposes to construct approximately 240 residential rental units and approximately 25,000 square feet of retail commercial, both with attendant parking, intends to work with staff in the preparation of a public showing of quality and benefit sufficient to warrant Commission consideration of issuance of the bonds. Financing is estimated not to exceed \$35 million. Bond Counsel and Agency Counsel support this preliminary step, thereby permitting preparation of development plans and submissions by the developer.

Mr. Newman inquired if the bonds would still be eligible for issuance in the event the Government changed the tax rules in 1986. David Oster, Assistant Agency Counsel, indicated that based upon recent actions by the House Ways and Means Committee, it appears that the tax exemption for housing bonds will be maintained in the anticipated tax reform legislation, although there will probably be further targeting of the benefit of these bonds to low-or-moderate income persons. At this time, only the Agency's intent to issue bonds is being approved, and the matter will be brought back before the Commission and the Board of Supervisors for approval to issue the bonds.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 354-85 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:27 p.m.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Secretary

APPROVED

February 11, 1986

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF DECEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of December, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
H. Jesse Arnelle
Charlotte Berk
Dorman L. Commons
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President
Melvin D. Lee (Arrived 4:14 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Timothy O'Donoghue, Jacob Lear, O'Donoghue Industries; Ocie May Rogers, Hunters Point; Philip Newman, M & L India Basin; Michael E. Hornstein.

Representing the press: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of September 17, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President King reported that the appointment of Raymond Ho to the Fiscal Division was approved in a Closed Session of the Commission on December 3, 1985 and is effective as of that date. Commissioners and staff look forward to working with Mr. Ho.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On December 9th, there was a Special Finance Committee meeting to consider the Bonds for two developments in Rincon Point-South Beach. One for the R.J. Nathan, Inc. development and the other for the Bayside Village Associates. Both passed out of Committee and were introduced on roll call as a Committee Report by Supervisor Renne. Both items were then passed by the full Board and will be on the Agency's Agenda on December 17, 1985.
- (b) December 17 will be the Agency's last meeting of the year, with the next regular meeting scheduled in the New Year on January 7, 1986.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel F-8(a) in the India Basin Industrial Park.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 355-85 requests authorization of an LDA with M & L/India Basin, Inc. for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. The principals of this firm are Justina Lee and Suey Wing Lee, owners of Wing Lee Electric Laundry, and Prospero Asen-Loo, a real estate broker. The City Real Estate Department has acquired the laundry's present facility located at 1464 Washington Street, for park purposes. The Lee's have been at this location for over 50 years. The developer proposes to construct a 15,000 square foot building, 6,000 of which will be occupied by the laundry and the balance by other family enterprises. There are seven persons presently employed, however, expansion of the laundry operation, which services a number of dry cleaning establishments in the City, is expected to result in the employment of twenty to thirty people. In addition, the Wing Lee family anticipates that other relatives will relocate their family enterprises into the new building. Although the exact nature of these enterprises is not known at this time, the developer has agreed that all uses will be in compliance with the India Basin Industrial Park Redevelopment Plan as required by the LDA. The Performance Schedule calls for submission of evidence of financing by November 19, 1986 and conveyance of the site by December 17, 1986.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 355-85 BE ADOPTED.

- (b) Resolution No. 356-85 requests authorization of a First Amendatory Agreement to the LDA with Michael and Ellen Hornstein for Parcel C-1(b) located on the northeasterly corner of Evans Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (b) as follows. The developer proposes to construct an industrial building at an estimated cost of \$1.9 million for the exclusive use of Snyder-Newell Company, a direct mail firm that employs approximately 120 people. A building permit was applied for on September 20, 1985, however, in November the Permit Department advised the developer that there is no prediction when processing will be completed; plus the holiday season could result in the Department's personnel taking time off leading to further delay. The developer has a tentative financing arrangement with the Bank of America which it is desirable not to finalize until after issuance of the building permit. The revised Performance Schedule would extend submission of evidence of financing from December 13, 1985 to March 12, 1986 and conveyance of the site from December 24, 1985 to April 16, 1986.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 356-85 BE ADOPTED.

Mr. Lee arrived at this time, 4:14 p.m.

- (c) Resolution No. 357-85 requests authorization to extend the Conveyance Date from December 11, 1985 to February 12, 1986 to the LDA with O'Brien Mechanical, Inc. for Parcel K-6 located on the southwest corner of Galvez Avenue and Mendell Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (c) as follows. The developer proposes to construct a 12,136 square foot building containing office, shipping, loading and unloading facilities, plus parking and landscaped areas. Due to a building permit process delay, a new appraisal was required by the lender and new bids had to be requested from the general contractor and his subcontractors. The general contractor and some of the subcontractors declined to submit a new bid, resulting in the developer deciding to become the general contractor. Affirmative action programs of each of the selected subcontractors must now be reviewed. Normally all of this could be accomplished within thirty days, however, due to the intervening holiday period, it is felt that an extension until February 12, 1986 is necessary.

NEW BUSINESS (continued)

Mr. Timothy O'Donoghue and Mr. Jacob Lear of O'Donoghue Industries, Inc. indicated it was impossible to project the sales prices of the homes before the drawings were completed and estimates could be difficult to live by at this time and objected to having language included in the LDA that required that and requested it be removed.

Mr. Hamilton indicated he was not aware of any objection by the developer regarding the language and the language appeared inappropriate in this instance, as the language had not been there from the beginning and recommended it be removed. In the past staff had proposed, and the Commission had adopted, profit limitations, but this particular language relative to regulating sales prices and increases had never been included.

Mr. Commons indicated that since the revision in the LDA language appeared to be a major policy change, it should be reviewed by the Commission and determined as a Commission policy before being introduced by staff into negotiations.

Following further discussion between Commissioners and staff, it was agreed that Section 9.07 regarding the language on sales prices would be deleted from the LDA.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 359-85 BE ADOPTED SUBJECT TO THE DELETION OF SECTION 9.07 FROM THE LDA.

- (f) Resolution No. 360-85 requests authorization of a Contract in an amount not to exceed \$23,600 with Robert Herman Associates Architectural Design Services for twenty expandable homes on Innes Avenue in Hunters Point.

Mr. Hamilton reported on item (f) as follows. In July 1985 the reprogramming of \$250,000 of Western Addition A-2 Housing funds for these homes was authorized and from this amount it is proposed to use \$163,000 as the Agency's share of construction costs with the balance of construction to be financed by a commercial bank loan. \$87,000 of the reprogrammed funds were to cover pre-development costs, including architectural services. The Agency will act as the developer in order to keep the ultimate cost of the homes as low as possible, the expenditures for which will be reimbursed from the sales price of \$75,000. The design, which allows for easy owner-expansion from a one-bedroom plan to a three-bedroom, will be based upon one of the two demonstration units constructed on Innes Avenue in 1984. The existing plans will be modified to account for differing site conditions and to benefit from construction and marketing experience gained from the two demonstration units. Following consideration of a number of architects, staff concluded that

NEW BUSINESS (continued)

Robert Herman Associates would be the most suitable firm to provide the architectural design services required to produce construction documents and oversee work during construction. Mr. Herman has had considerable experience with affordable residential design and will subcontract the minority-owned firm of Shapiro, Okino and Hom for structural engineering on the project. The contract amount, which will not exceed \$23,600 is inclusive of necessary subconsultants and direct expenses.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 360-85 BE ADOPTED.

President King indicated that at staff request item (10) would be taken up at this time.

MATTERS NOT APPEARING ON AGENDA

- (b) Resolution No. 365-85 requests authorization of a revised Conditional Owner Participation Agreement with DBMA, LTD. in connection with Block 3789, Lot 26, located on the northerly side of Townsend Street between First and Conlin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Leo Borregard, Agency General Counsel, reported on item (b) as follows: In looking at this OPA, there appeared to be an Agency obligation, which the Agency could not undertake because of the lack of certainty of funding. After negotiating with the developer, the obligations have been cast differently so that it is the Agency's obligation, in essence, to use its best efforts with the City to secure any of these necessary improvements. The developer has requested that the contract include a provision that 1% of the bond issue, roughly \$455,000, could be used towards the street improvements and necessary utilities for the development of its project, its completion and its rentability. This is if the City had not, in effect, done all or a portion of the surrounding street work. Staff feels this a fair provision .

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 365-85 BE ADOPTED.

NEW BUSINESS

- (g) Resolution No. 361-85 requests approval of, and authorization to distribute, the Preliminary Official Statement for the Redevelopment Agency of the City and County of San Francisco. Multi-Family Housing Mortgage Revenue Bonds, 1985 Issue E, in connection with Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. In November 1985, an Owner Participation Agreement was authorized with R.J. Nathan, Inc. for the construction of 414 rental units and 8,000 square feet of groundfloor neighborhood commercial space on the block located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets. In accordance with a Financing Agreement, also approved in November 1985, the Agency is undertaking its best efforts to issue bonds for the project in the approximate amount of \$50 million and it is anticipated that a request to approve their issuance will be brought before the Commission on December 17, 1985. In the interim, authorization to distribute the Preliminary Official Statement is being requested in order for the underwriter, Smith Barney, Harris Upham & Co., to begin marketing the bonds to the investing public as soon as possible.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 361-85 BE ADOPTED.

- (h) Resolution No. 362-85 requests authorization of an Agreement for Community Development Services with the City and County of San Francisco for the 1986 Community Development Program Year.

Mr. Hamilton reported on item (h) as follows. The City's final 1986 CDBG allocation recommendation is \$392,621 which is \$7,379 less than originally recommended by the Mayor and \$45,467 less than requested by the Agency. The entire allocation is reserved for the operation of the City's Central Relocation Services, located at the Agency. An agreement between the City and the Agency authorizes an expenditure of \$12,382,993 from 1986 funds of: \$1,711,497 from Reprogrammed prior years' allocations; \$2,077,363 from Property Management Income; \$3,544,530 from Land Sales; \$1,872,510 from WA-2 Debt; \$388,243 from Non-Federal Funds; \$2,396,229, which includes not yet approved WA-2 tax increment, but excludes YBC and \$392,621 from the 1986 CDBG Allocation.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 362-85 BE ADOPTED.

Mr. Lee left the meeting at this time, 5:00 p.m.

- (i) Resolution No. 363-85 requests authorization of an Amendment to the Agency Personnel Policy.

Mr. Hamilton reported on item (i) as follows. The Personnel Policy sets uniform procedures and policies for Agency employees, the provisions of which apply to all employees except where the

NEW BUSINESS (continued)

provisions of a Union Agreement conflict. In these situations, the provisions of the Union Agreement prevail for any employee in a classification included in that bargaining unit. The proposed revisions have been circulated to staff for their review and comments. The revisions have also been subject to the meet and confer process with the two employee unions and no outstanding issues remain.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AN UNANIMOUSLY CARRIED THAT RESOLUTION NO. 363-85 BE ADOPTED.

Mr. Lee returned to the meeting at this time 5:04 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 364-85 requests authorization to Rescind Resolutions No. 345-85 and 346-85 in connection with the Agency's Issuance of 1985 Revenue and Tax Allocation Refunding Notes for the South Beach Harbor in Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-85 BE ADOPTED.

- (c) Mr. Adolphe Philoxene, of On-Target Delivery Services, spoke regarding his contract with the Agency for delivery services and the difficulty of obtaining the insurance the Agency requires to continue the contract and asked for the Commissioners help in solving this problem.

Mr. Hamilton indicated that staff feels as strongly as Mr. Philoxene does about this situation and alternatives are being explored. This has been discussed with Agency General Counsel and it is believed the problem can be solved and Mr. Philoxene can continue working and the Agency at the same time would be protected.


President King announced there would be a short recess at this time, 5:12 p.m. The meeting reconvened at 5:17 p.m. with the same roll call.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, THE EXECUTIVE DIRECTOR WOULD BE DELEGATED THE AUTHORITY TO NEGOTIATE THE CONTRACT WITH LEGAL REQUIREMENTS. THERE BEING NO OBJECTION IT WAS SO ORDERED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, an unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

March 25, 1986

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF DECEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 16th day of December, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President
H. Jesse Arnelle
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Leroy King, President
Dorman L. Commons

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The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

NEW BUSINESS

Resolution No. 389-85 authorizing the Executive Director to execute a document entitled "Reacquisition Agreement and Amendment No. 1 to Land Disposition Agreement" which amends the Agreement for Disposition of Land for Private Development with Western Commercial Partnership (WCP I) in connection with the sale and development of the site (Parcel 708-B, south side of Geary Expressway and between Fillmore and Webster Streets), and also provides for the reacquisition of the site on certain events and for other agreements with certain parties involved in the financing of the development; Western Addition A-1 and A-2.

Leo E. Borregard, Agency General Counsel, introduced this item.

An LDA was authorized in November 1985 for the construction of approximately 156 residential units and 60,000 square feet of office and retail commercial space. This agreement provided a series of conditions precedent to the Agency's bond sale efforts and to the conveyance of the land. However, WCP I was unable to meet the bond sale best effort conditions because the bond sale proceeded so rapidly with the underwriter, Dillon Read, selling all but approximately \$3 million at an interest rate of 8%.

NEW BUSINESS (continued)

On December 12, 1985, the developer advised that conveyance was absolutely essential and critical to the consummation of the WCP I bond transaction, although the conditions precedent to the bond sale or conveyance could not be met prior to that date. The bond sale is a \$24,450,000 issue which is a construction and permanent loan with WCP providing approximately \$7.5 million in cash.

Mercury Savings & Loan will provide a letter of credit in the full amount of the issue, supported by separate collateral. The bond issue also requires recording of a regulatory agreement locking in 20% low income housing as required by Federal Law. However, the developer cannot bind the property with the requirements of the Regulatory Agreement without title to the site.

The Loan Purchase Agreement specifies a bond delivery on December 17, 1985 with escrow closing at 8:00 a.m. on the same date. If this is not accomplished then rescission by the Bond purchasers is probable because of the number of issues at higher interest rates coming into the market. It is therefore felt appropriate to permit conveyance on December 17, 1985, by also deferring the conditions precedent to conveyance and making them conditions subsequent to conveyance and precedent to the commencement of construction.

In exchange for the change in timing of the conditions precedent, the LDA and accompanying documents would be amended to require an absolute commencement date for construction of August 1986, with a default occurring if that date is not met. In the event of such default, the property and Mercury's deed of trust would be reconveyed to the Agency; the regulatory Agreement would be terminated; and the Agency would return the purchase price to the developer or its assigns. In this connection, the Agency also has an obligation to reimburse Safeway 50% of the common area walkway costs in the Fillmore Center out of the WCP I purchase price, subject to later reimbursement, and also to offset to protect against other liens and encumbrances other than the Mercury Deed of Trust and the Regulatory Agreement. With respect to the state of the public pedestrian walkway, the amended ECR provides for irrevocable offer, by the owners of the surrounding parcels, of the walkway to the City, and it will be made clear in the LDA as to the public nature of the walkway.

After a discussion between the Commissioners, Executive Staff and the developer's counsel, Mr. Borregard recommended that the following be added to the resolution -- that in connection with the authority granted in the resolve there be a further resolve that the Executive Director be directed to insert in the Reacquisition Agreement and Amendment No. 1, Mr. Arnette's provision that all costs of negotiation and execution of Amendment No. 1 be paid by the developer and that the repayment obligation of the \$500,000 be delayed until the site is remarketed, similar to the provisions in the Disposition Agreement as to time, and that the Agency pay no interest on the \$500,000 until the money is reimbursed.

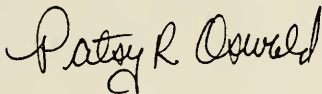
NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 389-85 BE ADOPTED AS AMENDED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

June 3, 1986

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF DECEMBER 1985

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of December, 1985, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Walter S. Newman, Vice President
Dorman L. Commons
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Jesse Arnelle (arrived 4:20 p.m.)
Charlotte Berk (arrived 4:25 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: David S. Thompson, Eric G. Seder, Smith Barney Inc.; Sherman Hill, Robert J. Primus, Ocie Mae Rogers.

Representing the press was: Dan Borsuk, San Francisco Progress

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of December 3, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) This is the last regular meeting for 1985, the next regular meeting will be held on January 7, 1986.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) On the calendar of the Planning, Housing and Development Committee Meeting today an item was introduced by Supervisor Kopp which called for a hearing on and consideration of the use of Central Block 2 in YBC as a stadium site. Staff responded to that matter with a detailed written response and covered the meeting. There was very little discussion and no one commented on the matter other than Supervisor Kopp. It was voted by the Planning, Housing and Development Committee into file. Further developments will be awaited in regard to this matter.
- (c) Recently, there has been a great deal of public discussion regarding the possibility of meeting rooms on the surface of the Moscone Convention Center, which is a matter of some concern. The matter has been discussed with Deputy Mayor, Hadley Roff, and there will be meetings to determine the extent to which this is now, or will become, a problem in the YBC development schedule. The Commission will be kept advised of further developments.
- (d) Mr. Szeto's bond issue closed at about 8:00 a.m. this morning. Staff members Redmond Kernan, Leo Borregard and Don Moitoza were actively involved until 4:00 o'clock this morning and they are commended for performance above and beyond the call of duty.

NEW BUSINESS

- (a) Resolution No. 366-85 through and including Resolution No. 376-85 requests authorization to extend Exclusive Negotiations, until April 2, 1986, with eleven prospective developers of various lots in Site 4 located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on item (a) as follows. At the Agency meeting of August 20, 1985, six developers present were granted exclusive negotiations until December 31, 1985. Subsequent inquiry by staff of the other seven prospective developers resulted in two requesting return of their deposits with the remaining five requesting and being granted exclusive negotiations until December 31, 1985. The developers of three of the lots who opted to develop their homes individually, have endeavored without success to provide evidence of financing and a ninety day extension is being requested to permit them to conclude these efforts. If this information is not provided, then a staff recommendation will be made not to grant any further extension beyond April 2, 1986, taking into consideration the circumstances involved. Eight developers propose to develop their homes as a group. Since August, staff has had a number of meetings with the owner group, individual group developers and two prospective lenders, the Bank of America and First Nationwide Savings & Loan. Both have declined to consider multiple construction loans, but offered to consider a single construction loan at a comparable interest rate. The eight member group who expressed a strong interest in the single builder-single loan

NEW BUSINESS (continued)

compromise, met with a Bank of America representative to preliminarily review individual financing statements in order to assess individual borrowing power, thereby determining the commensurate building capacity. Once formulated, an alternative development plan will need Commission approval, since the builder will have to become the single designated developer to demonstrate the site control required to acquire the construction loan. Owner rights and obligations will be protected by a purchase agreement with the builder.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 366-85 THROUGH AND INCLUDING RESOLUTION NO. 376-85 BE ADOPTED.

- (b) Resolution No. 377-85 requests authorization to refund the Security Deposit in an amount of \$17,500, with interest, made by BARCO Developers for Parcel AA-2 located on the north side of Keith Street between Hudson and Fairfax Avenues in Hunters Point.

Mr. Hamilton reported on item (b) as follows. At the time an LDA was authorized in April 1983, BARCO was able to demonstrate its capacity to undertake the construction of seventy condominium units. Several extensions to the Performance Schedule were granted, however, satisfactory evidence of financing was not provided and the developer was notified on April 18, 1985 that the LDA had been terminated. Because of good faith efforts over a period of two years, the developer feels entitled to the return of the security deposit and, based upon its own merits and past Agency practice, staff considers that it would be appropriate to do so.

Mr. Commons inquired as to the established policy of the Commission with regard to return of deposits. Mr. Hamilton indicated that a policy had not been formally established by Commission action, however, it was staff's policy to suggest refund of deposits when the developer had made good faith efforts, but was unable to proceed because of circumstances beyond his control. Based upon its merits, staff feels it is appropriate to return the deposit in this case.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 377-85 BE ADOPTED.

- (c) Resolution No. 378-85 requests authorization of a Second Amendatory Agreement to the LDA with Herman and Irene Yarbrough and Lillie M. Collins for 1401-1405 Gough Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In July 1984 an LDA was authorized for the rehabilitation of this three-story Victorian building as five residential condominium units. The conveyance date was extended in April and July 1985 and in September 1985 a First Amendatory Agreement was approved revising

NEW BUSINESS (continued)

the performance schedule to provide additional time to obtain a construction financing commitment which has now been secured from Sacramento Savings and Loan. This commitment has recently been extended by the lender to January 5, 1986. There has been an unanticipated delay in closing due to the inability of the developers' proposed contractor to secure the required performance and labor and materials bond and therefore the scheduled conveyance date of December 18, 1985, cannot be met, resulting in the requested extension of the conveyance date. The contractor has been bonded for other Agency rehabilitation projects and the developers remain hopeful that the required bonds will be obtained. However, another contractor has been contacted in the event their intended contractor cannot secure the bonds in a timely manner. Since all other pre-conveyance requirements have been met, it is felt desirable to extend the performance schedule to call for re-submission of construction costs by December 20, re-submission of evidence of financing by December 27, 1985 and conveyance of the site by January 10, 1986. In order to prevent termination of the LDA, it is proposed to include a provision in the Second Amendatory Agreement that the absolute conveyance date be extended to May 18, 1986 in the event the January 10, 1986 conveyance date is not met. Approval to extend the conveyance date to January 10, 1986 would be conditioned upon a reappraisal and an updated land price.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 378-85 BE ADOPTED.

Mr. Arnelle arrived at this time 4:20 p.m.

- (d) Resolution No., 379-85 requests authorization of a Third Amendment to the LDA with Safeway Stores, Inc. for Parcels 725-A(1), B,D,E and 708-A(1) the blocks bounded by Fillmore, Ellis, Webster and Geary Streets in the Western Addition A-1 and A-2.

Mr. Hamilton reported on item (d) as follows. An LDA was authorized in April 1981 for the construction of a supermarket with attendant parking, and a commercial office building. Upon proper completion, the Agency is required to issue a Certificate of Completion certifying that the improvements have been completed in accordance with the provisions of the LDA which presently permits a single certificate of completion for the total development. The proposed Amendment will permit the Agency to issue separate certificates of completion for various portions of the development.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 379-85 BE ADOPTED.

Ms. Berk arrived at this time 4:25 p.m.

NEW BUSINESS (continued)

- (e) Resolution No. 380-85 requests authorization to expend additional funds, not to exceed \$5,134.76, in connection with the temporary accommodations of Jerry & Johnny's located at 105 Third Street in Yerba Buena Center.

Mr. Hamilton reported on item (e) as follows. Jerry & Johnny's was temporarily relocated from 81 Third Street to 105 Third Street in order to allow staff to proceed with the demolition of 71-77 Third Street in preparation for a future marketing effort for these sites located on East Block One. Rehabilitation of 105 Third Street has now been completed and all costs paid from a contract amount of \$59,517 authorized in March 1985. In May 1985 a further expenditure of \$12,846 was approved to cover miscellaneous expenses for the physical move of Jerry & Johnny's, however final costs have exceeded this amount by \$5,134.76. Additional unanticipated legal fees of \$4,193.49 were incurred by the owner, Mrs. Billie Hanson, upon the death of Mr. Jerald Hanson, a partner in Jerry & Johnny's. The legal services included the review of plans and specifications, permits, operating licenses, as well as the Agency's proposed rental agreement for the new site. Legal expenses are considered to be an eligible relocation expenditure under HUD guidelines. The other expenses include \$780 for the reinstallation of a burglar alarm system and \$47 for the reinstallation of a one line public telephone system, both of which were overlooked when preparing the original cost estimate.

Mr. Arnelle requested that this item be continued to provide time for him to review the charges for legal services.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that item (e) would be continued pending further information regarding legal fees. There being no objection, it was so ordered.

- (f) Resolution No. 381-85 requests authorization of a First Amendment to the Owner Participation Agreement (OPA) which assigns 250 Fourth Street, Ltd.'s interest therein to Robert and Sandra Feher, (Owner); extends the date for submission of plans for temporary improvements by ninety days; and deletes the conditional expiration date of December 31, 1985 for 250 Fourth Street for the development of Block 3733, Lot 10, located on the northwest corner of Fourth and Clementina Streets in Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. This 10,416 square foot site is directly across from the Moscone Convention Center and is improved with a two-story concrete structure built in the 1930's which was rehabilitated by the previous owners under an OPA. A certificate of completion was issued in 1984. The building is currently vacant but has been used as offices in the past and the Owner under the amended OPA will assume responsibility for interim painting of the exterior facade and adding street trees. The building would then be leased for

NEW BUSINESS (continued)

office use for a maximum of five years with plans to be submitted within ninety days after approval of this amendment, followed by submission of a development program to be in compliance with the Yerba Buena Center Redevelopment Plan as amended in November 1981. The concept drawings were attached to the original OPA and approved as part of it. Submission of the schematic design is due by July 23, 1989.

Mr. Howard Wexler, attorney representing Robert and Sandra Feher and Mr. Ronald Neuman indicated that the only change the Commission was being asked to approve was the substitution of the Feher, who own the property, for Mr. Neuman who had the option to purchase it. All the terms of the OPA previously approved would remain the same.

Ms. Berk inquired why Mr. Neuman was no longer participating in the project and Mr. Wexler replied that because of TODCO concerns and concerns of the Commission and staff with regard to design, it appeared the only way those concerns could be satisfactorily alleviated was to change from the rehabilitation concept, which is Mr. Neuman's specialty, and replace it with a new building.

Mr. Newman expressed dissatisfaction that a full program had been proposed and approved and then the developer, who had been given five years to effectuate it, had decided to turn the land back to the owner. Mr. Wexler said Mr. Neuman's desire had been for a rehabilitation project, however, for reasons mentioned earlier, it was determined that rehabilitation of the existing building was not feasible. If this had not occurred then Mr. Neuman would still be involved in the project. Mr. Feher, who is a member of the 250 Fourth Street partnership, feels more positive regarding the new construction and is willing to proceed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 381-85 BE ADOPTED.

- (g) Resolution No. 382-85 requests authorization of a Sixth Amendment to the Permit to Enter with YBG Associates for the former GSA property at 49 Fourth Street in Yerba Buena Center.

Mr. Hamilton reported on item (g) as follows. In December 1983 a Permit to Enter was authorized with O & Y Equity Corp./Marriott Corporation/Willis acting through Marriott (OYM). OYM requested entry through Marriott Corporation, for a 180-day period, in order to demolish the Agency-owned property at 49 Fourth Street. They also requested entry of the adjacent 10,000 square foot parcel for contractor's equipment and have been paying \$10,000 a month for the lost parking revenues for the two parcels. Five subsequent amendments have been approved extending the completion time. The proposed Sixth Amendment would extend the time to carry out such activities as land surveys and soils investigations from December 31, 1985 to February 28, 1986. All other terms and conditions of the Permit would remain the same during this extension period.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 382-85 BE ADOPTED.

- (h) Resolution No. 383-85 requests authorization of a contract with Brakeley, John Price Jones, Inc. (BJPJ) for the purpose of analyzing the need for a second theatre in YBC and determining the feasibility of raising funds from the private sector to construct the theatre in an amount not to exceed \$19,000.

Mr. Hamilton reported on item (h) as follows. Originally, three theatres were proposed to be included in the cultural component for Yerba Buena Gardens. However, during the cost analysis and negotiations for the YBG Disposition and an Development Agreement, it became apparent that all of the facilities requested by the cultural community could not be funded. As a result of this evaluation the 600 seat theatre was included in the budget and the large theatre was deleted with the provision that efforts could be made to raise funds to build it. In order to retain the flexibility to build the large theatre, the DDA provided a site that is large enough to accommodate both theatres and the cultural financial subsidy projections included funds for the operation and maintenance of both theatres. This study would now pursue realistically whether there is a need and if there is, a reasonable expectation that money can be raised from the private sector.

Ms. Sause, Project Director, Yerba Buena Center, indicated that the study was being proposed in order for the Commission to make an evaluation and an informed decision on the need for a second theater.

It was the consensus of the Commission that the study was premature and that the item be tabled.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 383-85 BE TABLED.

- (i) Resolution No. 384-85 requests authorization of a Third Amendment to the Disposition and Development Agreement (DDA) with YBG Associates in connection with the Yerba Buena Center.

Mr. Hamilton reported on item (i) as follows. This amendment incorporates a revised Schedule of Performance in the DDA. This revision is made to permit a more realistic work program and schedule. The schedule for the office building and hotel in CB-1 remains unchanged with regard to the legal dates for conveyance and start of construction. There are adjustments in the design submission for the office building; however, the conveyance and construction start for the office building and the completion of the project will proceed as originally agreed to in the DDA. The original Schedule provided "float time" in the design schedule for the other CB-2 and 3 uses. This float time resulted from the

NEW BUSINESS (continued)

requirement that the office building and retail/ARE be financed at the same time. It is now proposed that this simultaneous financing requirement be revised, although the legal requirement necessitating completion of the R/ARE shells before the office building can be occupied will remain, and the schedule now reflects a realistic design, submission and approval process which achieves the objective of a tight and carefully inter-related schedule within the completion date scheduled for December 1, 1989. Because the R/ARE and Cultural buildings and the gardens are physically interrelated, it is important to have them designed in such a manner as to provide the necessary load and access information to the Developer for the garage design. The garage construction schedule must also be timed in such a way that the completion of the garage building shell is achieved in keeping with the construction schedule for the R/ARE/gardens and cultural facilities to be built over the garage. Staff believes these changes are acceptable and that the revised schedule is a reasonable reflection of a realistic design and development schedule. With regard to the Hotel, the developer now anticipates March 1, 1986 as the start of construction. This is well within the legally required construction start date of June 19, 1986. To provide the time needed to complete the submittal of the Hotel Preliminaries, the developer has asked that the deadline for this submittal be revised from December 19, 1985 to January 7, 1986. The Agency would then extend its review and approval period to February 5, 1986. This extension does not affect the other submission dates for the Hotel to which the developer must adhere.

Mr. Newman inquired as to the reason for the new dates and if their approval would involve the Agency in additional costs. Mr. Kernan indicated that initially it had been intended that the Agency's plans would be on the same schedule as the developer's plans. However, the Agency's schedule is somewhat delayed in its planning design portion. If design changes are made, to which the developer has to respond by redesigning, then the Agency would be responsible for those costs. Although there is an exposure that did not exist before, it is considered to be reasonable since it relieves the developer of having to respond to an excessive number of changes. If the developer is provided with definitive information at specified points in time then there will be no extra cost. Mr. Newman inquired if the changes benefited the developer or the Agency and Mr. Kernan indicated that, since additional time is needed for the design of the cultural buildings and the gardens above the garage, the proposed changes would be in the best interests of the Agency.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 384-85 BE ADOPTED.

NEW BUSINESS (continued)

- (j) Resolution No. 385-85 requests authorization of the Issuance, Sale and Delivery of Multifamily Housing Revenue Demand Bonds, 1985 Issue D, in the approximate amount of \$80 million of the Bayside Village Project in Rincon Point-South Beach.

Mr. Hamilton reported on item (j) as follows. A Conditional Owner Participation Agreement (OPA) was approved in November 1985 with Forest City Bayside Corporation and Southbeach Investments, Inc. for the construction of approximately 841 dwelling units and approximately 15,000 square feet of ground floor neighborhood commercial space on the block bounded by Beale, Bryant, First and Brannan Streets. In accordance with a Financing Agreement, also approved in November 1985, it is proposed that the Agency issue bonds for the project in an approximate amount of \$80 million with a twenty year term and sell them to the underwriters Bankers Trust Co., E.F. Hutton, & Bancroft, O'Connor, Chilton & Lavell, Inc., pursuant to the Bond Purchase Contract. As is usual in SB-99 financing, the bonds will be limited obligations of the Agency payable only from revenues of this issue and will not be a debt or liability of the City and County of San Francisco. All costs of issuing the bonds will be paid from bond proceeds and the Agency will receive a financing fee of 1% of the bonds, which in this case will be loaned to the developer for a five year period.

At the request of the Commission, Ira Goldberg of Bankers Trust explained the various aspects of this bond transaction.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 385-85 BE ADOPTED.

- (k) Resolution No. 386-85 requests authorization of the Issuance, Sale and Delivery of Weekly Adjustable/Fixed Rate Multifamily Housing Mortgage Revenue Bonds, 1985 Issue E, in an approximately amount of \$46,655,000 for the South Beach Marina Project in Rincon Point-South Beach.

Mr. Hamilton reported on item (k) as follows. A Conditional Owner Participation Agreement (OPA) was approved in November 1985 with R.J. Nathan, Inc. for the construction of 414 dwelling units and 8,000 square feet of ground floor neighborhood commercial space. The OPA was subsequently amended on December 10, 1985 to reflect, among other things, the formation of SBMA, Ltd. as the development entity. In accordance with a Financing Agreement, also approved in November 1985, it is proposed to issue bonds for the project in an approximate amount of \$46,655,000 with a forty-three year term and sell them to the underwriter, Smith Barney, Harris Upham & Company pursuant to a Bond Purchase Agreement. As is usual in SB-99 financing, the bonds will be limited obligations of the Agency payable only from revenues of this issue and will not be a debt or liability of the City and County of San Francisco. All costs of issuing the bonds will be

NEW BUSINESS (continued)

paid from the bond proceeds and the Agency will receive a Financing Fee of 1% of the bonds, which in this case will be loaned to the developer for five years and thereafter may be offset against costs of certain street and public utility improvements.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-85 BE ADOPTED.

- (1) Resolution No. 387-85 requests authorization to extend Exclusive Negotiations, until March 18, 1986, with the Delancey Street Foundation, Inc. for Site J located in the block bounded by First And Brannan Streets and the Embarcadero in Rincon Point-South Beach.

Mr. Hamilton reported on item (1) as follows. In August 1985 exclusive negotiations were authorized for the construction of 177 dwelling units and the development of 56,000 square feet of commercial space. The schematic designs were submitted in a timely manner. However, financial evidence submitted requires further conversations with regard to the terms and conditions of a sublease which cannot be concluded until the receipt of two independent appraisals from the Agency's consultants. Since the reason for not concluding the exclusive negotiations by the December 18, 1985, expiration date is beyond the control of the developer, a three month extension is proposed. Although this may not be sufficient time during which to finalize the negotiations, the Commission will be kept informed of the progress.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 387-85 BE ADOPTED.

Ms. Berk left the meeting at this time, 5:40 p.m.

- (m) Resolution No. 388-85 requests authorization of a Letter Agreement with the City and County of San Francisco for the services of Mr. Martin Gustavson, an Agency employee, to the Mayor's Office of Community Development (OCD) for the calendar year 1986.

Mr. Hamilton reported on item (m) as follows. In 1972 the Mayor's OCD was established in anticipation of consolidating HUD categorical programs and requiring the Mayor to be directly responsible and accountable for the use of Community Development Block Grant Funds. To staff the Mayor's OCD, technicians familiar with HUD programs were transferred from the Department of City Planning, the Model Cities Agency and this Agency. The use of a work order arrangement was authorized at that time which has continued in subsequent years, allowing employees to be on a leave of absence and to continue their participation in the State retirement system. OCD has prepared a Letter Agreement which is substantially the same as in prior years, however, it

NEW BUSINESS (continued)

proposed to amend the language to: address the possibility of cost overruns during the current contract period; clarify the source of funding as not being limited to the CDBG program; and provide for reimbursement to the Agency for all payments made to Mr. Gustavson for all "terminal pay" earned since July 1973 in accordance with the Agency's Personnel Policy. The Executive Director and Agency Counsel will meet with Moira So and the City Attorney on the subject of terminal pay, which is at issue, and the Commission will be advised of the outcome of those discussions. Federal funds of \$79,065 have been set aside in the OCD's administrative budget to continue this work order arrangement under which the Agency will be fully reimbursed for Mr. Gustavson's actual salary, staff benefits and pay increases. Mr. Gustavson currently fills the position of Deputy Director for Fiscal Management and Program Performance at a bi-weekly salary of \$2,433. The Agency will be indemnified by the City for any liability incurred as a result of his services. Continuation of this work order arrangement will be of great assistance to OCD and is in the best interests of the Agency.

Ms. Berk returned to the meeting at this time, 5:45 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 388-85 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

President King indicated that item 10 (a) would precede item 9 (n)

- (a) Resolution No. 390-85 requests authorization of a further revised Conditional Owner Participation Agreement with SBMA, Ltd. to extend the time in which to agree on the terms of an Affirmative Action Program to February 1, 1986, for Block 3789, Lots 26 and 27 located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 390-85 BE ADOPTED.

(n) ELECTION OF OFFICERS

The Agency's Bylaws require that an annual election of Officers be held at the last regular meeting of the year or the first meeting of the New Year. The positions to be elected are President and Vice President and their terms will be from January 1, 1986 to December 31, 1986.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT MR. KING BE ELECTED PRESIDENT.

MATTERS NOT APPEARING ON AGENDA (continued)

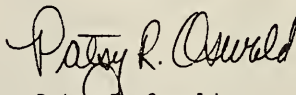
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT MR. NEWMAN BE ELECTED VICE PRESIDENT.

Mr. King announced that there would be a closed session on personnel to instruct the Agency's negotiators regarding Union negotiations with Local 790 and also a closed session on litigation pursuant to Government Code Section 54956.9(a). The name of the case is Goldrich & Kest vs. RACCSF, et al.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on personnel and litigation. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

June 3, 1986

